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Final Edition THURSDAY In 2 Sections – Section 1

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 156 Number 4136 New York, N. Y., Thursday, December 24, 1942 Price 60 Cents a Copy

OUR REPORTER'S REPORT

Because of the fact that the bulk of its efforts, during the period of hostilities, must be directed toward assisting the Government in financing the war, the Investment Bankers Association, some time ago, decided to discontinue, for the duration, its public information program.

This venture was launched in 1940 and was financed by contributions, or perhaps better said, assessments on the membership of the organization. It accomplished considerable in the way of educating the public to the aims and purposes of investment banking as an industry.

But since the bulk of public funds available for investment is more or less earmarked for war loans issued by the Government, the Association evidently sees little further need for attempting to carry on its educational activities until conditions change.

Accordingly the Association, following out the action of the Board of Directors some weeks ago, has decided to return to the membership 23½% of the second instalment of $116,190 which they paid in to support the program, or approximately $27,300.

That the membership of the Association took seriously the intent and purpose of the educational program appears amply supported by their willingness to help finance the undertaking.

It develops now that from the inception of the plan in the spring of 1940, to the date of the last instalment paid, the Association had collected something like $631,000 to be applied to carrying through on the campaign.

(Continued on page 2244)

HOW DID WE GET THIS WAY?

THE ANATOMY OF CAPITALISM

By H. B. LOOMIS and JOHN B. KNOX

of John B. Knox & Company

Editor's Note: New Deal program makers, now wearing postwar planning labels, continue as in the past to pore over their blue prints with their backs to the world of realities. Their products are every whit as dangerous as they ever were—perhaps more so since the war appears to have lent them additional psychological support.

The best way to combat such seductive proposals as those now appearing almost daily, perhaps the only effective way, is to turn the flood light of fundamental truths upon them.

It is with hope of doing its part in combating this menace that the "Chronicle" is presenting a series of articles, of which this is the seventh, which call the reader's attention pointedly to certain fundamentals often overlooked in this day and time. It can think of no better contribution to postwar planning.

Part VII

The immorality of robbing a man of the benefits of his accumulated labor—and artificially low interest rates are a form of robbery—usury in reverse—is equal to the immorality of robbing him of the rewards of his current labor or of his life. The degree of the immorality is not lessened by the difference in the methods employed. There is no boundary line in honesty. The robbery of a merchant by a burglar, of an investor by a stock-jobber, of a capitalist by a collectivist, of a nation by tax-eaters, of an employer by a loafing employee, are all fractions of the same unit.

Fraud, violence or cunningly devised laws by which one man, or class of men, obtain the benefit of the work of another, are equally instruments of extortion. The legal method, however, of which inflation and confiscatory taxes are examples, is generally approved because the social body has not as yet developed a conscience upon which the more delicate nuances of thievery can register nor an understanding of the processes by which it lives. Slow as intellectual progress is, moral progress is even slower even if it is not stationary as Buckle contended.

The institution of government, the source of protection, is not a direct producer but it is indispensable to production. Social cohesion is impossible without some degree of coercion. Its cost is a direct burden upon the standard of living, which itself is a result and not an instrumentality.

(Continued on page 2244)

This Broker Business

By John B. Alcorn

In the article given below, which appeared in the August edition of the "Commercial Telegraphers' Journal," official publication of the Commercial Telegraphers' Union (A. F. of L.), Mr. Alcorn deplores the over-regulation of the securities business, but expresses the conviction that if negative salesmanship and defeatism are banished the volume of business being done could be materially increased despite the way the industry is shackled. Mr. Alcorn is a member of the International Executive Board of the Commercial Telegraphers' Union, and is associated with the Detroit office of Goodbody & Co.

"We, the survivors in the securities and commodities business, have had 12 long years in which to ponder our predicament. To my knowledge, although much has been said, and some effort has been made to improve it, the general attitude remains pretty much that of Mark Twain's toward the weather. The predicament is still here—and we are still in it.

"Why we are in the shape we are in, and why we elect to continue that way, has many answers, but those answers are a dime a dozen unless we can utilize them to evolve a constructive approach to our dismal situation.

"As long as we have the capitalistic system—and we are being daily assured that there is no desire to eliminate it—no well-advised person is advocating the death sentence for the broker business. On the contrary, most economists, and even a majority of the politicos, admit that our system of free securities and commodities markets is absolutely essential to our economic structure.

"The past 12 years may well be divided into phases. The first began when our beautiful bubble went the way of all bubbles. At about that time the nation's honeymoon with "back to normalcy" ended in a soup line down the street—and a most elusive "prosperity just around the corner." The only thing we can brag about during those trying days is our stoicism. We tenaciously held to an abiding faith in a prompt return of good times. Even during the darkest hours we solemnly proclaimed that "Big Steel" would never break 100. Sweetly we dreamed on.

"Then came the rude awakening. We entered the second phase. It was being charged now that somewhere in the past some of the financial gentry were suspected of dealing from the bottom of the deck. New ground rules had to be imposed. We practically had to learn the game all over again. A scapegoat had to be produced for all the ills that had beset the country.

Regulation Imposed

"We resented the newly imposed stringent regulations. We were particularly resentful of the implication that ours was a shady business. And rightfully so. We took some legal steps, but to no avail. When regulation hit us it inflicted a pronounced mixed reaction. A great number of partners of brokerage concerns took the "It can't happen here" attitude; many sulked—and are still sulking—in their tents; others relied on the conviction that no one could whip Wall Street. Some hied themselves to their estates to live on their incomes; a few took the philosophical attitude and some died with their boots on.

"As time went on the "new guard" in Wall Street concluded

(Continued on page 2241)

INDEX

Page
Bank and Insurance Stocks........ *
Business Man's Bookshelf..........2248
Calendar of New Security Flotations.2246
Investment Trusts..................2239
Municipal News and Notes..........2240
Our Reporter On Governments.....2248
Uptown After 3.......................2243
Our Reporter's Report..............2233
Personnel Items.....................2236
Railroad Securities.................2237
Real Estate Securities.............2236
Securities Salesman's Corner.......2239
Tomorrow's Markets—Walter Whyte Says..........................2237

*This week's article starts on page 2235.

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Laidlaw Co. Observes 100th Anniversary

Completion of 100 years of continuous operation is being observed by the private banking firm of Laidlaw & Co., one of the oldest organizations of its kind in the country. In keeping with present wartime restrictions the occasion is being marked with brief ceremony, the principal features being the distribution of an historical brochure and the holding of an anniversary and Christmas party at the firm's main office at 26 Broadway. At the latter event Mr. Edward Roesler, the senior partner, presided, and a toast was drunk to the many members of the organization who are serving in the military forces and another to the personnel at the branch offices who, because of wartime conditions, could not be present.

Members of the Laidlaw family have been continuously identified with the firm since 1854 when Henry Bell Laidlaw joined the organization, to be followed two years later by Charles E. Laidlaw, a brother. Originally known as Heran & Lees and changed in 1849 to Lees & Waller, the firm adopted its present name in 1873.

First office of the firm was at 51 Broad Street. Since 1910 they have occupied their present quarters at 26 Broadway. Branch offices are maintained at Washington, D. C., Boston, Mass., Oil City, Pa., and Bloomfield, N. J.

On July 1 of this year the New York Stock Exchange firm of Mackay & Co., sharing the heritage and ideals of the Laidlaw organization through an origin which traces back to 1830, consolidated with and became a part of Laidlaw & Co.

Present partners of Laidlaw & Co. are: Edward Roesler, Gilbert U. Burdett, Elliot C. R. Laidlaw, Louis Wilmer Noel, Edward Roesler, Jr., Lorraine F. Pitman, Daniel E. MacLean, William F. Van Deventer, Henry McSweeney, Mrs. Isabella Wood Laidlaw and Malcolm S. Mackay.

Seligsberg to Merge With Hirsch, Lilienthal

On Jan. 1, the investment business of Seligsberg & Co., members of the New York Stock Exchange, will be merged with that of Hirsch, Lilienthal & Co., 25 Broad Street, New York City, also Exchange members.

Seligsberg & Co. was established in 1886. That of Hirsch, Lilienthal & Co., in 1911.

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Westmoreland Coal Company

The tremendous increase in the production of coal has centered a great deal of attention upon securities representing coal producing companies.

One coal stock regarded with considerable favor by many dealers is that of the Westmoreland Coal Company and to a somewhat smaller degree the Westmoreland, Inc. Common.

The Westmoreland Coal Company operates coal producing properties in Western Pennsylvania, its production going mostly to steel and other heavy industries, railroads and public utilities centered in and around the Pittsburgh area. Quite naturally since this area is showing such a tremendous rate of production and operations under War conditions, the coal mined and revenues reported by Westmoreland Coal Company have reached unprecedented levels.

The history of Westmoreland Coal goes back to 1854 when the original company was incorporated. Following certain consolidations the present company was incorporated in Pennsylvania in 1917 and in 1929 it conveyed its coal properties to Westmoreland, Inc. and at the same time leased the Pennsylvania properties from Westmoreland, Inc. and now operates them under that lease.

While actual figures for 1942 have not been released by the company, both tonnage and revenues should very substantially exceed 1941 when the company produced 2,346,719 tons and showed sales of $5,010,507.

The Westmoreland Coal Company Common in 1942 has paid total dividends of $6 per share of which it is reported $4 was paid out of ordinary net income from operations and $2 distributed from the sale of coal cars. During 1941 the stock paid $3.75 per share on earnings of $4.04 per share.

Reflecting the current operations and dividend payments and the outlook for the maintenance of substantial earnings and dividends, the Westmoreland Coal Co. stock, listed on the Philadelphia Stock Exchange and traded on the New York Curb, has sold as high as 24⅜ this year and is currently available at around 20.

The strong financial position of the Westmoreland Coal Co. and the asset protection for its Common stock is reflected in the December 31, 1941, balance sheet when cash alone equalled $10.03 per Common share while cash and marketable securities at market value together equalled $18.76 per share.

Total current assets including moderate inventory and receivable items equalled $24.64 per share. The current liabilities totaled only $3.99, so the company's net working capital equalled $20.65 per share and the total book value amounted to $33.48 per share.

It is reported that as of September 30, 1942, the net working capital per share has improved to approximately $22, while the book value as of September 30, 1942, is reported to approximate $33.40 per share.

Westmoreland Inc., which leases the Pennsylvania coal properties to the Westmoreland Coal Co. receives rental and royalty payments from the coal company at a minimum of $189,600 per annum. Other sources of revenue consist of dividends and interest on in-

(Continued on page 2248)

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Lehman Bros. Will Admit F. L. Schuster

Lehman Brothers, 1 William Street, New York City, member of the New York Stock Exchange, announce that Frederick L. Schuster will be admitted to partnership in their firm on Jan. 1, 1943. Final arrangements are subject to formal approval of the New York Stock Exchange.

Frederick L. Schuster

Mr. Schuster has been associated with the firm of Lehman Brothers for the past five years as director of economic research. He is also a Vice-President and Director of The Lehman Corporation.

Kalb & Voorhis To Be A. Lewisohn Partners

John Kalb and Peter A. H. Voorhis will be admitted to partnership in Adolph Lewisohn & Sons, 61 Broadway, New York City, members of the New York Stock Exchange. Mr. Kalb has been associated with the firm for some time as manager of the investment research department, with which Mr. Voorhis was also connected. Prior thereto they were with D. M. Minton & Co., of which Mr. Kalb was a partner.

To Form McLaughlin, Baird & Reuss in NY

McLaughlin, Baird & Reuss, a New York Stock Exchange firm, will be formed as of Jan. 2, 1943, to engage in a securities business from offices at 1 Wall Street, New York City. Partners of the new firm will be John F. McLaughlin Harold S. Baird, the firm's Exchange member; Gordon H. Ullrich, W. Wendell Reuss, Frank J. Brady and Alvin J. Delaire.

Mr. Baird was formerly a partner in Townsend, Graff & Co. Mr. Delaire was a partner in W. S. Sagar & Co.

Reynolds To Admit Brewer

Hugh C. Brewer will become a partner in Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges. Mr. Brewer was formerly associated with Shields & Co.

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Smallwood & Co. Is Formed In Ft. Worth

FORT WORTH, Tex. — The formation of Smallwood and Company to succeed to the business in Government, Municipal and Government securities conducted since Sept., 1930, by The State Investment Company has been announced by Wm. P. Smallwood, investment dealer, with offices in the First National Bank Building. Mr. Smallwood, who will head the new firm which bears his name, is a member of the Victory Fund Committee, Eleventh Federal Reserve District and co-chairman of the Victory Fund Committee for the Fort Worth region. Since 1939 he has been active in the work of the National Association of Securities Dealers, Inc., having been vice-chairman for the 1939-1940 term, and being the present Chairman of District Number 6 (Texas) for the 1941-1943 term. He has just been elected a member of the National Board of Governors of the Association for the term to expire in Jan., 1946. He has just retired as a member of the Board of Governors of the Texas Group, Investment Bankers Association of America.

The new firm will continue to operate in suite 716-17, First National Bank Building, Fort Worth, Texas.

A. V. McCall Resigns NY Securities Post

Assistant Attorney General Ambrose V. McCall has announced his resignation preparatory to resuming his law practice with his former firm, Hannon & Evans, 20 Exchange Place, New York City. Mr. McCall has served with the New York State Department of Law as chief of the State Bureau of Securities for the past 12 years, during which time he became known for his investigation and prosecution of hundreds of fraud cases and brought about the recovery of hundreds of thousands of dollars for victims of stock swindlers.

Arthur Lamborn To Be DeCoppet Partner

Arthur H. Lamborn, member of the New York Stock Exchange, will be admitted to partnership in DeCoppet & Doremus, Exchange firm, 52 Broadway, New York City. Mr. Lamborn was formerly a partner in Lamborn, Troup & Co.

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Herbert D. Seibert,
Editor and Publisher
William Dana Seibert, President
William D. Riggs, Business Manager
Thursday, December 24, 1942

Published twice a week [every Thursday (general news and advertising issue) with a statistical issue on Monday]

Other offices: Chicago—In charge of Fred H. Gray, Western Representative, Field Building (Telephone State 0613). London—Edwards & Smith, 1 Drapers' Gardens, London, E.C.

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Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of Mar. 3, 1879.

Subscriptions in United States and Possessions $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year. NOTE—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

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Purcell, Heller to Join Nugent & Igoe

James G. Purcell, member of the New York Stock Exchange, and Gustav P. Heller will be admitted to partnership in Nugent & Igoe, New York Exchange firm, 19 North Harrison Street, East Orange, N. J. Mr. Purcell has recently been active as an individual floor broker, and, prior thereto for many years, was a partner in Babcock, Rushton & Co.

Scheer & Eis, NYSE Firm, To Open In NY

Herman N. Scheer, member of the New York Stock Exchange, and Leon L. Eis will form Scheer & Eis, Exchange firm, with offices at 120 Broadway, New York City, as of Jan. 1, 1943. Mr. Scheer was formerly a partner in Richard K. Kaufmann, Alsberg & Co.

Name Gross, Van Court Co.

LOS ANGELES, CALIF. — The firm name of Gross, Martin & Co., 639 South Spring Street, members of the Los Angeles Stock Exchange, has been changed to Gross, Van Court & Co. Albert E. Van Court, who recently became associated with the firm, is the new vice-president.

DEALER BRIEFS

Cincinnati, O.

Although the $9,000,000,000 Government bond drive naturally absorbs vast sums of investment funds, municipalities are still getting peak prices. We wonder what difficulties municipalities would be meeting with had new issues been made taxable—especially in the case of limited tax issues.—*John E. Roth, Weil, Roth & Irving Company.*

Bank deposits will continue to rise materially for the duration of the war, and funds for investment should be plentiful with most institutions. Of course, most of these funds will go into governments, but some institutions will need municipals. As has been demonstrated amply in the past two months, some institutions do not need municipals. There will be business in putting municipals where they fit best.—*J. Austin White, J. A. White and Company.*

Dallas, Texas

There is an excellent demand for local stocks, both preferred and common. Bank stocks have advanced in price and there seems to be excellent buying interest.—*W. O. Skillman, First National Bank in Dallas.*

St. Louis, Mo.

We feel that present unsettled economic conditions present an investment opportunity. No one knows how long the war will last but it will end some day.

All wars are essentially destructive and inflationary and provide the seeds for at least temporary business recovery, and we think the present war will prove no exception. Large deferred demands are being built up and large bank balances in the hands of consumers able to make purchases when the war is over to satisfy deferred demands.

We find that our clients are interested in securities of companies today doing war work which are selling on a fair income and dividend basis—if the problem of reconversion to peace activities is relatively simple—and we believe there is little risk to the investor in purchasing securities of this type.—*Paul E. Peltason, Peltason, Tenenbaum, Inc.*

Mo.-Pacific Interesting

Recent developments affecting the First and Refunding Mortgage 5% Bonds 1965/81 of the Missouri Pacific Railroad Company are discussed in a bulletin issued by E. W. Clucas & Co., 70 Pine Street, New York City. Copies of the interesting bulletin, containing a summary of the reorganization plan, may be had from E. W. Clucas & Co. upon request.

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Trend Towards Humanizing Taxation Favors Insurance Companies

The long-awaited and much-debated Revenue Act of 1942, in the form in which finally enacted, is generally regarded as a very workable and workmanlike piece of legislation. In fact, despite the unprecedented tax burden which it imposes upon the American pepole, this bill has actually been the recipient of quite a few expressions of approbation. Technically, at least, it constituted a long step forward in simplifying and clarifying many provisions of the Revenue Code. Furthermore, an apparently sincere effort was made to incorporate a greater measure of continuity and equity into the revenue laws. In this connection, it should be noted that the so-called "Stabilization of Salaries" regulation came into being via Executive Order and not as a part of the tax bill itself.

One feature of the new law that has been particularly noticeable is the increased attention given to the subject of insurance and insurance companies. To an extent never before seen in our revenue laws, recognition is given to the specialized nature of the insurance business and to the "Social Security" attributes which it possesses. Unfortunately, for estate purposes, the share-the-wealth philosophy continues to predominate and the $40,000 exemption applicable to life insurance legacies was eliminated. However, in the case of the average citizen, insurance appears to be accorded—for the first time—some recognition as a desirable outlet for savings and, in certain cases, as a legitimate item of personal expense.

These are significant departures from tax procedure of the past and, now that a start has been made in this direction, it is not unlikely that the principles thus instituted will become a more fundamental part of tax theory. Insurance payments, in connection with the operation of a trade or business or enterprise in general, have long been accepted as a necessary and legitimate operating expense. Similarly, depreciation and maintenance are classed as operating expenses in the case of property, machinery, equipment, etc. Perhaps the time will come, in respect to income taxes, that some effect will be given to depreciation and maintenance (not to mention obsolescence) in the case of human beings.

Some such concept, modest though it be, seems to have entered the minds of those responsible for the current tax bill. Extraordinary medical expenses (i e., in excess of 5 per cent of net income and not in excess of $2,500 for a married couple) may now be deducted from gross income. Such expenses include any medical care by doctor, dentist, etc., as well as hospitalization and also "amounts paid for accident and health insurance." This may be only a very small straw in a very big wind but, as suggested previously, it is at least a beginning.

It so happens that the insurance business in this country has never

(Continued on page 2238)

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Denver Group Of IBA Held Luncheon Meeting

DENVER, COLO.—The Denver group of the Investment Bankers Association at a recent luncheon meeting was addressed by Milton Bernet, Vice-President of the Mountain States Telephone Company, on the operation and business of his company. Amos Sudler, of Amos Sudler & Co., Denver investment house, spoke on the financial status of Mountain States Telephone.

Brown Bros. Harriman Appoints Asst. Mgrs.

Brown Brothers Harriman & Co., 59 Wall Street, New York, members of the New York Stock Exchange, announce the appointment of the following as Assistant Managers: David G. Ackerman, Thomas J. McElrath, Herbert Muhlert and Gale Willard.

Buschman Newborg Partner

Newborg & Co., 30 Broad Street, New York City, members of the New York Stock Exchange and other leading Exchanges, will admit Herbert Buschman to partnership in the firm on Jan. 1.

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Legal Oddities

THE VERBAL PARTNERSHIP

"I'll sell my house and lot for $10,000 to the first buyer that comes along," Doe avers.

"I'm that buyer, and here's your money," Roe tells him.

"No; I've changed by mind."

"You made a square offer, and I accepted it, and I'll sue you for damages for breach of contract."

"Sue away. A sale of real estate without part performance must be in writing to make it binding."

And Doe is right.

A different (and more puzzling) situation arises, however, when Doe, Roe and Poe agree to go into partnership for the purpose of buying and selling land and dividing the profits, but the agreement is not reduced to writing.

Is the agreement binding?

"Our agreement had to do with land," says one.

"Yes; but the main thing was the money we made from the land," says another.

On this point the weight of authority is that the verbal agreement is good.

"The great weight of authority, however, seems to be that such agreements of copartnership can be proven by parol, and are not in violation of the statute of frauds, and such authorities base their reasoning on the ground that such contracts do not contemplate any transfer of land from one partner to the other or the creation of any interest or estate therein, and do not as between the parties in any way affect the title to realty so bought for copartnership purposes," says one State court in a case on the point.

Cgo. Exch. Appoints Committee Members

CHICAGO, Ill.—At a meeting of the Board of Governors of the Chicago Stock Exchange Joseph E. Dempsey of Dempsey-Detmer & Co., Richard W. Phillips, and Sampson Rogers, Jr., of McMaster, Hutchinson & Co., were elected to fill vacancies on the Governing Committee caused by the resignations of T. Clifford Rodman, Hugh H. Wilson and John E. Wheeler, who left for service with the armed forces.

At the same time Kenneth L. Smith, President of the Exchange, announced confirmation of the following staff appointments: Treasurer, Walter R. Hawes; Secretary, Carl E. Ogren; Assistant Treasurer, Loretta Kemp. Miss Kemp is the first woman to serve in an executive capacity on the Exchange.

Shields To Admit Sykes

Macrae Sykes, who has been been with the firm for a number of years, will become a partner in Shields & Co., 44 Wall Street, New York City, on Jan. 1.

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New York City

Illustrated Analysis on request

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REAL ESTATE SECURITIES

Two Interesting Situations:

1—A bond issue on a hotel showing an 850% increase in earnings.
2—A good dividend paying real estate stock.

* * *

Current report of the Governor Clinton Hotel showed fixed interest requirements on its bond issue earned over 2½ times after interest charges on a prior lien.

Actual profit for the fiscal year, before depreciation, but after all interest charges was $155,424, compared to a profit of $18,142 the previous year. **This is an increase of 850% in net earnings!** This remarkable increase is directly beneficial to the bondholders inasmuch as they are the actual owners of the property. The bonds pay 2% interest and yield approximately 8% at current market price. In addition to this fixed interest an additional 2% cumulative interest will be payable as soon as the prior lien mortgage ahead of the bonds is paid off. This mortgage has already been reduced from $750,000 to $680,000 and the corporation has set aside $118,905 in cash for further reduction.

Bonds outstanding amount to $5,000,000. Each bond carries with it common stock in voting trust form representing an equal share of the ownership of the property. Subject to the prior lien mentioned above, the bonds are secured by a mortgage on a 31-story hotel containing 1,098 rooms, the usual lobbies, dining and grill rooms, etc., and nine stores on the street level. All the furnishings and equipment of the hotel are additional security for the bonds. It is built on land owned in fee approximately 19,000 square feet in area. The location of the hotel at the southeast corner of Seventh Ave. and 31st St., New York City, with its close proximity to the Pennsylvania Railroad Terminal is very beneficial to its transient type business.

* * *

Ownership of real estate in addition to its other advantages is considered one of the best hedges in time of inflation. There are quite a few stock issues representing this type of ownership. An interesting real estate stock issue is the one known as 49 West 37th Street Corporation. This capital stock is in voting trust form of no par value and represents the ownership of the property located in the heart of the millinery section of the City of New York at 49 to 57 West 37th St. It has a frontage of 103 feet and a depth of 98 feet and is improved with a 17-story store and loft building. The stock was issued to the former first mortgage bondholders of the property on the basis of one share of stock for each $100 bond previously held.

Dividend payments per share of stock have been made regularly (semi-annually) and annual payments made were as follows: 1933, $3; 1934 and 1935, $2; 1936, $1.50, and 1937 through 1942, $2.50.

At the current price of the stock, namely, $18 per share, these dividends offer a large return. The current market also places a value on the entire issue of 9,603 shares of $172,854. Adding this figure to the only outstanding funded debt of the corporation, a first mortgage of $165,000 makes the total capitalization of the corporation $337,854, or only slightly more than 25% of the original first mortgage bond issue of $1,125,000 that was on the property previous to reorganization. It is also only about one-third the assessed value of the property (approximately $850,000).

Rates obtainable for the space in the building are low. Occupancy of the building for the past five years has been between 96% to 100%. The property is in very good physical condition. This condition and the service offered in the building are superior to facilities of comparable nature in the neighborhood, which accounts for the high percentage of occupancy which has been maintained.

The financial condition of the corporation, as revealed by the latest balance sheet shows an excess of current assets over current liabilities of more than $36,000.

TRADING MARKETS IN
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Pigott, Mason V-Ps Of Central Republic

CHICAGO, ILL.—James M. Pigott and Robert Mason have been elected Vice-Presidents of Central Republic Company, Chicago. Mr. Pigott for several years has been manager of the Sales Department, and Mr. Mason manager of the Corporation Buying Department. Both men have been with Central Republic Company since its formation.

To Continue Vigo Firm

CHICAGO, ILL. — The investment business of Sidney G. Vigo Company will be continued under the corporate name of Sidney G. Vigo & Company, Inc. with offices at 231 South La Salle Street. Officers will be John R. Lewis, President; Margaret King Moriarty, Vice-President; and Anne I. Ferry, Secretary and Treasurer. Mr. Lewis was formerly with McGrath and Swanson Construction Co. Miss Moriarty was with Sidney G. Vigo & Company; and Miss Ferry was an officer of A. J. Boldt & Co. of Davenport, Iowa.

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

NEW YORK, N. Y.—**Walter F. A. Brown,** formerly with Harriman Ripley & Co., Inc., has become associated with **Merrill Lynch, Pierce, Fenner & Beane,** 70 Pine Street, New York City.

(Special to The Financial Chronicle)

CLEARWATER, FLA. — **William C. Harty** is now with **Merrill Lynch, Pierce, Fenner & Beane.**

(Special to The Financial Chronicle)

DETROIT, MICH. — **George D. Blumenthal** has become associated with **Merrill Lynch, Pierce, Fenner & Beane,** Buhl Building. Mr. Blumenthal was previously with A. M. Kidder & Co., and Weed, Hall, Berndt & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Colyar Reese** has joined the staff of **Sutro & Co.,** Van Nuys Building. Mr. Reese was formerly with Pedley, Martin & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—**Chapman DeWolfe,** previously with Strassburger & Co., has been added to the staff of **E. F. Hutton & Co.,** 160 Montgomery Street.

Christmas Party--1942 Style

By BRUCE WILLIAMS

The setting was the same as on the 12 previous yuletide occasions when the group had met before. It was at the Princeton Club on New York's East 39th Street. The group—mainly Wall Street men—had come to celebrate the 13th anniversary of the investment banking firm of Lord, Abbett.

In past years there would hardly be anything noteworthy to report about a gathering of this kind. It would be just another Christmas party where men get together in the spirit of good fellowship to relax and have a good time. But this party was different—of course, there were cocktails, some robust humor and plenty of good food—but the spirit was different. To one who has been a part of Wall Street throughout the long, lean years of penitence and the SEC, it was a grim spirit, but determined, confident.

This spirit was sounded by one of the guests, A. Vere Shaw, when he read from a letter written by his son on board a naval vessel in the South Pacific.

"Dad," wrote the boy, "if the people back in the States who are squawking about gas rationing, if the munitions workers who are bellyaching for higher wages, if the farmers who are lobbying for higher prices could hear what the boys on Guadalcanal have to say about such things, they would damn soon change their tune! And if the people at home had a true picture of what these boys out here are going through in

Hearing this, the examiners try, they wouldn't need the whiplash of the Government to make them settle down and really go to work."

Julian Beaty, President of Granby Consolidated Mining, sounded the spirit again when he spoke of the tenacity embodied in an investment company which was able to celebrate its **13th** anniversary this year. "That means, gentlemen," he said, "that you began at the peak of the 1929 boom. To even be around today should, in such circumstances, be considered something of a feat."

Mr. Beaty went on to pay personal tribute to Mr. Lord for his unflinching perseverance in the development of the organization. In this, Mr. Beaty was reminded of the inmate of an asylum who was up before the examining board for parole. The man passed all the reflex tests brilliantly and it was decided to release him.

"What will you do when you get out?" asked one of the examiners.

"I'll get a slingshot and bust every damn window in this building," answered the man.

Hearing this, the examiners concludetd that perhaps the man wasn't quite ready for release yet and remanded him to the institution for another six months. At the end of that time they examined him again. As before, he passed the reflex tests without a fault. Then came the question: "What will you do when you get out?" Without a moment's hesitation the man answered, "I'll get a slingshot and bust every damn window in this building." The examiners decided that he needed still more "seasoning" and remanded him for another six months.

At the end of the second term the man was again examined and his reflexes again found to be excellent.

"And now," asked the examiners, "what is the first thing you will do when you get out?"

"I'll go to Times Square," he answered after some hesitation.

"Yes?"

"And I'll walk up to the first pretty girl I see there."

"Aha," chorused the examiners, "that is much better—and then?"

"I'll take her to a hotel room."

"Yes—and then?"

"I'll completely disrobe her."

"Then what?" breathed the examiners.

"I'll take the rubber out of her girdle and I'll make a slingshot and I'll come back here and I'll bust every damn window in this building," answered the man triumphantly.

Mr. Beaty brought his audience back to the grim side of things with the story of his son, now on Christmas leave after two years of combating Nazis. First with the RAF, then with the Eagle Squadron and now with the U. S. Army Air Force in England, young Beaty has seen two years of constant fighting from the cockpit of a Spitfire. Twice he was forced down, the first time into the Channel and the second time a few hundred yards in from shore where, out of gas, he glided to a crash landing in an effort to save the plane. It was a brave thing to do, but nearly cost him his life, and he will always carry the memory of it—a deep gash on his forehead—for everyone to see. There was a note of pride but no quaver in the voice of Julian Beaty as he told us the story of his son.

The last speaker of the evening was Mr. Lord. "I feel old tonight," he began, "and I feel very tired. Those of you who are acquainted with the volume of paper work, legal reports, auditor's reports, etc., which are required of us by the SEC and the

(Continued on page 2247)

Tomorrow's Markets Walter Whyte Says—

Last week's advance to new highs brings sweep of optimism. Market however shows new top signs. Reaction from present highs not unlikely.

By WALTER WHYTE

The ink in last week's column was hardly dry when the market broke out of its dull trading range and managed to advance to the tune of more than a million shares. In doing this it even set a few 1942 records. The market, for example, catapulted out of about a ten week 4 point trading range. The popular averages made a new high for the year. And last, but by no means least, it brought the public in, anxious to climb on what, to all intents and purposes, looked like a bull band wagon.

* * *

What the causes were that brought these about is a moot question. The most popular excuse for the break-out was the resignation of Leon Henderson, on the somewhat naive theory that with Henderson out, inflation controls would be removed and stock markets would again zoom upwards. That, however, is neither here or there. The dull markets of the past few years have nothing to do with OPA. The causes are much deeper.

* * *

As last week's column was written the averages (Dow) were at approximately 116.50, though the highs of last Wednesday were at 117.38. That volume came in to carry prices through was nice and cosy. Yet anybody who even bothers to look at charts knew that if the market was to get anywhere the ranges between 117 and 118 represented volume which would have to be taken if strength were to materialize. It is equally true that the same figures could have marked off an obstacle the market would balk at. Yet the fact it didn't, isn't at first flush as bullish as it would indicate.

* * *

The market had already begun to show signs of a turn-up. The public which had stayed out of the market in anticipation of further declines based on tax selling were getting impatient. Talk of seasonal rallies were quite common. It is just a step from talk to action and the market gave the cue for the action to start. In support of this theory at least one of the biggest houses in the Street admits it has opened more new accounts in the last 30 days than it did in the entire past six months. Any Wall Street novice knows new accounts are not opened because of any prestige that may attach to them. It is opened for only one reason—to buy securities. Well, the market did go up. And volume did increase.

* * *

Now if there is one thing the board room habitue cannot tolerate is sitting quietly by while the market goes up on volume. What may have a half formed opinion up to then becomes a firm conviction and as strength increases leads to an overpowering impulse to do something. It follows then that this urgency is translated into buy orders. As one order is executed and appears on the tape, others seeing the increased tempo of the tape are also overwhelmed by the same desire. And before you know it you have not only an advancing market but everything around it takes on a rose-colored hue. This was the picture of the last half of last week. Of course the optimism of a new Congress and the Henderson resignation helped matters along, not to mention the news of the new Russian offensive.

* * *

So the market went to a new high. But while the Dow figures went up the leaders which are part and parcel of bull markets — the steels—did nothing. It's an odd thing about Wall Street, let the Dow figures make new highs and the wave of optimism that sweeps the financial district becomes something to behold. Right away talk of new and sensational changes, all bullish, begin to be whispered about. Its psychological impact cannot be minimized. Your old time operator frequently took advantage of these periods to help things along while he unloaded. But if the operators of the old days are no longer around the knowledge they have acquired is still used—unloading on a gullible public.

* * *

Last week this column stated that a new advance which would carry the averages to new highs was possible. Well, it came. But the advance manged to just carry stocks about 2 points above last Wednesday's figures. At the same time I warned that as this new high was made bullish optimism would increase, and would in turn mark off the top of the current advance. Well, the optimism did increase and the market does not seem to possess the guts necessary to go further. I therefore think we are now slated for a decline which may well carry prices (and even the Dow averages) below the recent

(Continued on page 2243)

Defaulted Railroad Bonds

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The performance of the second-grade rail bond market during the past week has been highly gratifying, particularly when contrasted with the performance a year ago this month when it seemed almost impossible to develop bids at practically any prices. The recent action of the market was considerable of a surprise to speculators and investors who, over a period of years, have come to consider the December tax selling decline as practically as certain as death and taxes. The market was called upon to absorb a fairly heavy volume of tax selling in the opening weeks of December and was also laboring under the handicap of a mild peace psychology. Furthermore, the news was hardly calculated to inspire speculative enthusiasm, carrying the threat of cancellation of the freight rate and passenger fare increases and another boost in rail wages.

The ease with which the tax selling was absorbed in the face of the other adverse factors gave evidence of the underlying strength of the market. When it seemed apparent that no wide decline was in prospect the buying wave set in. It seems that speculators and investors are becoming more willing to give recognition to the sustained high level of earnings and the concomitant improvement in finances and debt structures. Moreover, over the visible future there is nothing in prospect that would result in an interruption of the upward trend of traffic (volume will presumably be limited only by the ability of the carriers to perform the service), and the wage and rate threats are not considered likely to be effective at least for the opening months of 1943.

Recent public statements have tended to moderate some of the fears that had been circulating as to the weak competitive position of the rails in the post-war years, particularly with respect to the air transport industry. Responsible leaders in the air transport field have put the damper on earlier pictures of mammoth planes and strings of gliders destined to be the backbone of freight transportation in the future. Also, and this has probably been one of the most important factors, the progress being made by the railroads in their debt retirement programs has been highlighted in recent weeks. Such debt reduction, if carried far enough, is obviously the one answer to fears of bankruptcy for the marginal carriers in the post-war period of normal business cycles.

Some of the recognition being given to the accelerated debt retirement programs has been inspired by official announcements, some is based on surmise, and some is rumor. In any event, the policy of calls for tenders rather than open market purchases is coming in for greater discussion. In some instances the railroads have found it difficult to acquire sufficient bonds through purchase and have turned to the expedient of requesting tenders as more expeditious and efficient. The trend will probably be more and more in this direction.

Among the more important developments in recent weeks was the news that Missouri-Kansas-Texas had bought in some $6,000,000 of its Prior Lien bonds. It was a very short time ago that bond holders were waiting apprehensively each half year for an announcement as to whether or not there was enough cash in the till to meet the interest coupons. Another surprise was that the Illinois Central had paid off $10,000,000 on the principal of its RFC loan, marking a departure from its former policy of buying in discount bonds and depositing them as additional collateral behind the loan.

Great Northern, after buying bonds in the open market throughout most of the year, finally asked for tenders of Series "G" and Series "H" bonds and accepted all tenders up to, and including, par. While the extent of the tenders has not been announced it is believed to have been substantial as both series have consistently sold below par throughout the year. Finally, early this week Baltimore & Ohio issued a call for tenders of all its mortgage and collateral bonds to satisfy the sinking fund available from 1942 earnings. The amount to be applied was not announced but should be between $19,000,000 and $21,000,000.

These specific instances of substantial progress are merely the highlights, giving validity to the assumption that other of the marginal carriers are doing at least as well. Particular interest centers around what may have been accomplished by Southern Pacific during the past year. Southern Pacific has been one of the most fully cognizant of the carriers of the necessity to reduce its debt and make large inroads into the very heavy near and intermediate term maturities, and has been favored with a really phenomenal war earnings expansion. In many quarters it is expected that the road may have provided for as much as $50,000,000 of debt this year.

We recommend dealers' consideration, at this time, of all issues of

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New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Robert Seely, Jr., and Lawrence L. Tweedy will retire from partnership in Baker, Weeks & Harden, New York City, as of Dec. 31 1942.

Orville H. Bullitt, limited partner in W. H. Newbold's Son & Co., Philadelphia, will retire from the firm as of Dec. 31.

Russell D. Irvine will retire from partnership in Parrish & Co., New York City on Dec. 31. Mr. Irvine made his headquarters at the firm's Wheeling, W. Va. office.

William H. Clark, general partner in Reynolds & Co., New York City, died on Dec. 18, 1942.

Transfer of the Exchange membership of the late Robert MacDonald, Jr. to Wolcott Blair will be considered on Dec. 30. It is understood that Mr. Blair will act as an individual floor broker.

Transfer of the Exchange membership of George E. Stevens to Ezra G. Leavitt, who will act as an individual floor broker, will be be considered on Dec. 30.

Transfer of the Stock Exchange membership of Paul V. Mravlag to W. Wallace Lanahan will be considered on Dec. 30. Both are partners in Alex. Brown & Sons, Baltimore.

Otto Gruner Dies

Otto Harry Gruner, a member of the New York Stock Exchange, died at Post Graduate Hospital in New York after a brief illness. Mr. Gruner during the last war served in the Naval intelligence division.

Defaulted RR. Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: high—44; low—14¾; Dec. 23 price—40¾.

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Bank and Insurance Stocks

This Week—Insurance Stocks

By H. A. LEGGETT

(Continued from page 2235)

needed much help, or encouragement, on the part of Government or tax authorities. So solid has been its record, so attractive its benefits and so completely "sold" have our people been on the idea of insurance that the growth of this industry has been one of the outstanding by-products of our free enterprise system. However, with more and more of our earnings being drawn into the tax mill, it may ultimately be important to have some "priority" or preferential treatment established in behalf of insurance premiums.

Temporarily, it is safe to say, insurance commitments are to be regarded as a logical and desirable avenue for the "excess purchasing power" which is causing so much worry in high places. Insurance is one of the few things that can still be bought with a clear conscience—and without a ration card. As a matter of fact, money spent on insurance is virtually tantamount to money spent on government bonds because, in the majority of cases, new insurance premiums are immediately invested in Government securities. Some companies have adopted a fixed rule to that effet "for the duration" while many others, without any set rule of procedure, have tacitly been following this general course for some time.

Insurance premium payments, incidentally, are also being placed in the same "virtuous" category as debt reduction and Government bond purchases for the purpose of accomplishing a decrease in next year's Victory Tax liability. Specifically, taxpayers will be allowed to take credit against the Victory Tax (up to the amount of the post-war refund) for premium payments on life insurance policies in force on Sept. 1, 1942. This applies not only to the policies of the taxpayer himself but also includes those of the wife and other dependents, i.e., all life insurance premiums paid out for the immediate family.

Drafters of the current tax bill also devoted considerable time and space to the peculiar accounting problems of the insurance industry as they relate to reporting for income tax purposes. One much-needed clarification is the decision to treat unearned premium reserves, for stock fire and casualty companies, as borrowed capital in computing the liability for Excess Profits taxes under the invested capital option. Thus 50 per cent of the mean unearned premiums for a taxable year may be added to capital and surplus funds for the purpose of determining the Invested Capital base. This is regarded as a very favorable ruling because it was feared that premium reserves would be completely disallowed in arriving at the invested capital figure.

The invested capital option presumably will not be used in most cases by the fire companies because earnings were generally high during the base period. Consequently, they will tend to use the Average Earnings option. However, many casualty companies will be benefited due to the fact that earnings during the base period were either spotty or downright poor and, furthermore, premium reserves have increased tremendously during the past year or two. Therefore, the current large earnings of the casualty companies should be less vulnerable to the Excess Profits levy than originally appeared likely. Some of them may also be helped by the more liberal treatment accorded to "abnormal or hardship" cases under the new law.

Bank and Insurance Stocks

Frederic H. Hatch & Co.
Incorporated
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SEC Amends Repurch. Rules For Inv. Cos.

The SEC has announced a revision of Rule N-23C-1 of the General Rules and Regulations under the Investment Company Act of 1940 relating to the repurchase of their own outstanding securities by closed-end investment companies registered under the Act. This rule relates solely to Section 23 (c) (3) of the Act and does not apply to repurchases made pursuant to Section 23 (c) (1) and (2) of the Act. The purpose of the revision is to broaden the scope of Rule N-23C-1 and to permit repurchases in situations not previously permitted by the rule. However, the provisions of the old rule for safeguarding investors are retained in the revised rule and additional safeguards have been added.

The principal changes effected by the revised rule are as follows:

(1) It permits the repurchase of listed securities other than on a securities exchange.

(2) It does not permit the repurchase of stock bearing cumulative dividends, if such dividends are in arrears.

(3) If the security to be repurchased is a stock not entitled to cumulative dividends, at least 90% of the net income of the issuer for the past full fiscal year must have been distributed to the issuer's security holders.

(4) It permits the repurchase of junior securities provided the senior securities have a prescribed asset coverage immediately after such purchase. The asset coverage requirements of the rule are the same as those prescribed by Section 18 of the Act with respect to the issuance of securities and the term asset coverage as used with respect to this condition has the same meaning as defined by Section 18 (h) of the Act.

(5) It does not limit the amount of securities which may be repurchased during any calendar month.

(6) It permits the payment of brokerage commissions in connection with repurchases but provides that no such commissions can be paid to any affiliated person of the issuer.

(7) It adds a new paragraph, paragraph (c), which makes it clear that the rule is not intended to cover all situations and that the Commission will entertain applications for the repurchase of securities in situations not covered by the rule.

Result Of Treasury Bill Offering

Secretary of Treasury Morgenthau announced on Dec. 21 that the tenders for $600,000,000 of 91-day Treasury bills to be dated Dec. 23, 1942, and to mature March 24, 1943, which were offered on Dec. 18, were opened at the Federal Reserve banks on Dec. 21.

Details of this issue are as follows:

Total applied for, $1,220,406,000.

Total accepted, $600,709,000.

Range of accepted bids:

High, 99,926; equivalent rate of discount approximately 0.293% per annum.

Low, 99.908; equivalent rate of discount approximately 0.364% per annum.

Average price, 99.908+; equivalent rate of discount approximately 0.363% per annum.

(92% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on Dec. 23 in amount of $400,037,000.

Walston Hoffman Admit

SAN FRANCISCO, CALIF.—Endicott J. King will become a partner in Walston, Hoffman & Goodwin, 205 Montgomery Street, members of the New York and San Francisco Stock Exchanges. Mr. King was formerly associated with Merrill Lynch, Pierce, Fenner & Beane.

FINANCIAL NOTICE

NOTICE TO HOLDERS OF

INTERNATIONAL-GREAT NORTHERN RAILROAD COMPANY

FIRST MORTGAGE BONDS SERIES A, B AND C.

Payments equal to (a) one-half six months' interest accumulation for period ended January 1, 1934, and (b) one six months' interest accumulation for period ended July 1, 1934, on International-Great Northern Railroad Company First Mortgage Series A, B and C Bonds, in the aggregate amount of $1,207,500.00, has been authorized by Order No. 2188-A, entered November 18, 1942 of the United States District Court, Eastern Division, Eastern Judicial District of Missouri.

In pursuance of said Court Order said payment is to be made to said bondholders on and after December 29, 1942 and shall be received and accepted by them subject to the provisions and conditions of said Order. The aforesaid Order may be examined at the office of the Clerk of said Court. Holders of said Bonds must obtain from the undersigned, address Missouri Pacific Building, St. Louis, Missouri, or from J. P. Morgan & Co. Incorporated, New York City, Paying Agent, a form of Letter for transmitting to said Paying Agent, direct or through local banks, at holder's risk, (a) the Coupons numbered, respectively, 23, 15 and 12, due January 1, 1934, stamped "Paid 50%", and (b) the Coupons numbered, respectively, 24, 16 and 13, due July 1, 1934, detached from the definitive Bonds of said Series, and (c) the Fully Registered Bonds of said Series. A separate income tax ownership certificate for the aggregate interest to be received under each maturity, as indicated above, and more particularly indicated in the required Letter of Transmittal, should be forwarded with the Coupons or Bonds presented. Said Paying Agent will (1) return all Fully Registered Bonds, at owner's risk, with notation of the aforesaid interest accumulation payments stamped thereon, and (2) duly make remittance covering said interest accumulation payments on said Coupons or Fully Registered Bonds.

GUY A. THOMPSON, TRUSTEE,
INTERNATIONAL-GREAT NORTHERN
RAILROAD COMPANY, DEBTOR.

Dated St. Louis, Mo.
Dec. 22, 1942

DIVIDEND NOTICES

American Manufacturing Company

NOBLE AND WEST STREETS
BROOKLYN, NEW YORK

The Board of Directors of the American Manufacturing Company has declared the regular quarterly dividend of $1.25 per share on the Preferred Stock and a dividend of $1.50 per share on the Common Stock of the Company, payable December 31, 1942 to Stockholders of record December 19, 1942.

ROBERT B. BROWN, Treasurer.

CITY INVESTING COMPANY

55 BROADWAY, NEW YORK

December 17, 1942.

The Board of Directors has this day declared, out of surplus earnings of the Company, a dividend for the three months ending December 31, 1942, of one and three-quarters (1¾%) per centum upon the issued and outstanding Preferred Capital stock of the Company, other than Preferred stock owned by the Company, payable January 2, 1943, to holders (other than the Company), of the Preferred Capital stock of record on the books of the Company at the close of business on December 26, 1942. Checks will be mailed.

G. F. GUNTHER, Secretary.

Combustion Engineering Company, Inc.

200 Madison Avenue, New York

The Board of Directors of Combustion Engineering Company, Inc. has declared a dividend of $1.50 per share on the outstanding capital stock of the Company, payable on December 30, 1942, to stockholders of record at the close of business December 26, 1942.

H. H. BERRY,
Vice-President and Treasurer.

SOUTHERN RAILWAY COMPANY

New York, December 22, 1942.

Dividends aggregating Three Dollars and Seventy-five cents ($3.75) per share on the Preferred stock of Southern Railway Company have today been declared, payable One Dollar and Twenty-five cents ($1.25) March 15, 1943, to stockholders of record at the close of business February 15, 1943, One Dollar and Twenty-five cents ($1.25) June 15, 1943, to stockholders of record May 15, 1943, and One Dollar and Twenty-five cents ($1.25) September 15, 1943, to stockholders of record August 14, 1943.

Cheques in payment of these dividends will be mailed to all stockholders of record at their addresses as they appear on the books of the Company unless otherwise instructed in writing.

C. E. A. McCARTHY,
Vice-President and Secretary.

DIVIDEND NOTICES

NEW YORK TRANSIT COMPANY

26 Broadway

New York, December 22, 1942.

A dividend adjustment of Ten (10) Cents per share has been declared on the Capital Stock ($5.00 par value) of this Company, payable December 30, 1942, to stockholders of record at the close of business December 22, 1942.

J. R. FAST, Secretary.

NORTHERN PIPE LINE COMPANY

26 Broadway

New York, December 22, 1942.

A special dividend of Three (3) Dollars per share and a dividend adjustment of Three and one-third (3 1/3) Cents per share have been declared on the Capital Stock ($10.00 par value) of this Company, both payable December 28, 1942, to stockholders of record at the close of business December 22, 1942.

J. R. FAST, Secretary.

"Call for PHILIP MORRIS"

New York, N. Y.
December 16, 1942.

Philip Morris & Co. Ltd. Inc.

A regular quarterly dividend of $1.06¼ per share on the Cumulative Preferred Stock, 4¼% Series, and a regular quarterly dividend of $1.12½ per share on the Cumulative Preferred Stock, 4½% Series, have been declared payable February 1, 1943 to holders of Preferred Stock of the respective series of record at the close of business on January 15, 1943.

There also has been declared a regular quarterly dividend of 75¢ per share on the Common Stock, payable January 15, 1943 to holders of Common Stock of record at the close of business on December 28, 1942.

L. G. HANSON, Treasurer.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

The Chase National Bank of the City of New York has declared a dividend of 70¢ per share on the 7,400,000 shares of the capital stock of the Bank, payable February 1, 1943, to holders of record at the close of business January 16, 1943.

The transfer books will not be closed in connection with the payment of this dividend.

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK
W. H. Moorhead
Vice President and Cashier

US-Portugal Agreement

An economic understanding between the United States and Portugal with respect to the exchange of certain commodities has been reached, it was recently announced by Secretary of State Hull. While not disclosing details, Mr. Hull said that while not exactly a trade agreement, it also applied to shipping.

FINANCIAL NOTICE

NOTICE TO HOLDERS OF

MISSOURI PACIFIC RAILROAD COMPANY

FIRST AND REFUNDING MORTGAGE BONDS SERIES A, F, G, H AND I.

Payment equal to six months' interest accumulation to the holders of Missouri Pacific Railroad Company First and Refunding Mortgage Bearer and Registered Bonds, in the aggregate amount of $6,579,762.50 has been authorized by Order No. 2186-A, entered November 18, 1942, of the United States District Court, Eastern Division, Eastern Judicial District of Missouri, as follows:

- Series A, six months' period ended February 1, 1935,
- Series F, six months' period ended March 1, 1935,
- Series G, six months' period ended November 1, 1934,
- Series H, six months' period ended October 1, 1934, and
- Series I, six months' period ended February 1, 1935.

In pursuance of said Court Order said payment is to be made to said bondholders on and after December 29, 1942, and shall be received and accepted by them subject to the provisions and conditions of said Order. The aforesaid Order may be examined at the Office of the Clerk of said Court. Holders of said Bonds must obtain from the undersigned, address Missouri Pacific Building, St. Louis, Missouri, or from J. P. Morgan & Co. Incorporated, New York City, Paying Agent, a form of letter for transmitting to said Paying Agent, direct or through local banks, at holder's risk, (a) the Coupons numbered, respectively, 36, 16, 12, 9 and 8, detached from the Bearer Bonds and, also, from Bonds registered as to principal only, of the aforesaid Series A, F, G, H and I, and (b) the Fully Registered Bonds of said Series. A separate income tax ownership certificate for the aggregate interest to be received under each maturity, as indicated above, and more particularly indicated in the required also, from Bonds registered as to principal Letter of Transmittal, should be forwarded with the Coupons or Bonds presented. Said Paying Agent will (1) return all Fully Registered Bonds, at owner's risk, with notation of the aforesaid interest accumulation payment stamped thereon, and (2) duly make remittance covering said interest accumulation payment on said Coupons or Fully Registered Bonds.

GUY A. THOMPSON, TRUSTEE,
MISSOURI PACIFIC RAILROAD
COMPANY, DEBTOR.

Dated at St. Louis, Missouri.
December 22nd, 1942.

FINANCIAL NOTICE

NOTICE TO HOLDERS OF

NEW ORLEANS, TEXAS & MEXICO RAILWAY COMPANY

FIRST MORTGAGE AND INCOME BONDS.

Payment equal to two six months' interest accumulations to the holders of New Orleans, Texas & Mexico Railway Company Bearer and Registered Bonds, in the aggregate amount of $2,283,350.00, has been authorized by Order No. 2187-A, entered November 18, 1942, of the United States District Court, Eastern Division, Eastern Judicial District of Missouri, as follows:

- (a) for two six months' periods ended, respectively, April 1, 1938 and October 1, 1938 on First Mortgage Series A and B bonds,
- (b) for two six months' periods ended, respectively, August 1, 1938 and Febuary 1, 1939 on First Mortgage Series C and D Bonds, and
- (c) for two six months' periods ended, respectively, April 1, 1941 and October 1, 1941 on Non-Cumulative Income Bonds.

In pursuance of said Court Order said payment is to be made to said bondholders on and after December 29, 1942, and shall be received and accepted by them subject to the provisions and conditions of said Order. The aforesaid Order may be examined at the Office of the Clerk of said Court. Holders of said Bonds must obtain from the undersigned, address Missouri Pacific Building, St. Louis, Missouri, or from J .P. Morgan & Co. Incorporated, New York City, Paying Agent, a form of letter for transmitting to said Paying Agent, direct or through local banks, at holder's risk, (a) the Coupons numbered, respectively, 28/29, 28/29, 24/25 and 21/22, detached from First Mortgage Bearer Bonds, and, also, from Bonds registered as to principal only, of the aforesaid Series A, B, C and D, and (b) the Fully Registered First Mortgage Bonds of said Series and, also, the Non-Cumulative Income Bonds with all unused coupons attached. A separate income tax ownership certificate for the aggregate interest to be received under each maturity, as indicated above, and more particularly indicated in the required Letter of Transmittal, should be forwarded with the Coupons or Bonds presented. Said Paying Agent will (1) return all Fully Registered First Mortgage Bonds, and all Non-Cumulative Income Bonds, at owner's risk, with notation of the aforesaid interest accumulations payment stamped thereon, and (2) duly make remittance covering said interest accumulations payment on said Coupons or Fully Registered First Mortgage Bonds and Non-Cumulative Income Bonds.

GUY A. THOMPSON, TRUSTEE,
NEW ORLEANS, TEXAS & MEXICO
RAILWAY COMPANY, DEBTOR.

Dated at St. Louis, Mo.
December 22, 1942.

The Securities Salesman's Corner

SPECULATIVE INVESTMENT PROGRAM AIDED BY NEW TAX LAW ON CAPITAL GAINS & LOSSES

By J. K. WILLIAMS

The new changes in the 1942 tax law allow for maximum deductions from **Net Income** for capital losses to the extent of $1,000 per annum, plus a carryover of $1,000 per year for the next four years. Therefore total capital losses of $5,000 can be deducted from net income on the foregoing basis.

This is a fact which should encourage the investment of "venture capital" once the advantages to the taxpayer become more apparent. The law also provides that capital losses can be carried over into future years against which capital gains can be credited. Holding periods of 18 and 24 months have been eliminated and a short six-month holding period has been substituted in the new law.

Following is a table of the allowed deductions for realized capital losses that can be credited by the tax payer against his total **Net Income** for the current year and the percentage of income tax that will be saved the taxpayer is shown in the adjoining columns.

When Net Taxable Income Is	Annual Saving On Income Tax For Each $1,000 Loss	Total Saving On $5,000 Loss
$4,000	$220	$1,100
6,000	260	1,300
8,000	300	1,500
10,000	340	1,700
12,000	380	1,900
14,000	420	2,100
16,000	460	2,300
18,000	490	2,450
20,000	250	2,600
22,000	550	2,750
26,000	580	2,900
32,000	610	3,050
38,000	640	3,200
44,000	670	3,350

One glance at the foregoing tabulation shows clearly that the brakes upon risk taking and "venture capital" have been drastically reduced. For instance, an investor in the $44,000 income bracket could purchase a highly speculative security and in the event the entire venture proved a total loss he would lose the $5,000 **(less the amount of his tax savings** which would amount to $3,350), or a net loss of only $1,650. Meanwhile if the speculation turned out to be profitable he would only be subjected to a **Tax of 25% on the Profit.** For instance, a profit of $5,000 would only be subjected to a tax penalty of $1,250, leaving this taxpayer a net profit **after taxes** of $3,750. In many cases of highly speculative ventures a profit of 100% is possible and of course, so is a 100% loss. The foregoing example however, clearly shows that for the first time in over ten years **The Odds Are No Longer Stacked Against Those Who Would Take A Risk And Venture Their Capital.**

Salesmen can now show their clients in the higher income groups especially that now it pays to **Take A Chance—Even To Lose Money In Certain Cases (That Is If You Have Capital Gains Against Which To Charge These Losses).**

Average Experience Shows 10% Yield Possible

Commercial & Financial Chronicle,
New York, N. Y.

To the Editor:

Your list of 10% yields reminds us especially of two issues we recommended in 1932 and 1933.

(1) Robert Gair 6/72 at 30 and later at 50-60-70-80 up to 95. They sold at 102 bid in 1936-7 but fell on evil days for 1938, the only year for which they showed a deficit and did not pay in full. We are now recommending them at 68.

(2) Gair Realty 1st 5s due '33 to '48. We started to recommend these at 37 and continued to recommend them until they were called at 100 to 101¼ in 1939.

We have been active in many other bonds and stocks which would support the thesis that 10% can be obtained safely by hard searching and the use of judgment and a measure of luck.

The above two issues are the first to come to mind. Current yield, however, is a consideration of lesser consequence in picking sound investments and many of the best bargains pay nothing, but have better futures. In this category we have specialized in rail and traction reorganizations for the past two years with excellent results for our clients and ourselves.

Yours very truly,

LANCASTER M. GREENE,
LANCASTER & NORVIN GREENE.

E. H. H. Roth Will Be Merrill Partner

E. Howard H. Roth will become a partner in Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York City, members of the New York Stock Exchange and other leading national exchanges, as of January 1. Mr. Roth, who will make his headquarters at the firm's Buffalo office, Liberty Bank Building, was formerly a partner in Doolittle, Roth & Schoellkopf and its predecessors for many years.

Charles N. Monsted, a limited partner in the firm, and Ryburn G. Clay, a general partner, are retiring from partnership effective Dec. 31, on which date Charles E. Merrill, a general partner, will become both a general and limited partner.

Salomon Bros. & Hutzler Will Admit Three To Firm

Henry F. Ludeman, Girard L. Spencer, and Theodore A. Von Glahn will be admitted to partnership in Salomon Bros. & Hutzler, 60 Wall Street, New York City, members of the New York Stock Exchange.

Royal Bank of Scotland
Incorporated by Royal Charter 1727
HEAD OFFICE—Edinburgh
Branches throughout Scotland
LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1
TOTAL ASSETS
£98,263,226
Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1941 .... £150,939,354
SIR ALFRED DAVIDSON, K.B.E., General Manager
Head Office: George Street, SYDNEY
The Bank of New South Wales is the oldest and largest bank in Australasia. With over 870 branches in all States of Australia, in New Zealand, Fiji, Papua and New Guinea, and London, it offers the most complete and efficient banking service to investors, traders and travellers interested in these countries.
LONDON OFFICES:
29 Threadneedle Street, E. C.
47 Berkeley Square, W. 1
Agency arrangements with Banks throughout the U. S. A.

NATIONAL BANK of EGYPT
Head Office Cairo
Commercial Register No. 1 Cairo
FULLY PAID CAPITAL . £3,000,000
RESERVE FUND £3,000,000
LONDON AGENCY
6 and 7 King William Street, E. C.
Branches in all the principal Towns in
EGYPT and the SUDAN

J. Gentry Daggy With H. M. Byllesby & Co.

PHILADELPHIA, PA.—J. Gentry Daggy, for the last five years associated with the trading department of Buckley Brothers, has joined Alfred J. Willis in the trading department of the Philadelphia office of H. M. Byllesby & Co., Inc., Stock Exchange Building. Mr. Daggy will continue to trade in unlisted securities and to suggest and analyze special situations for dealers.

J. Gentry Daggy

In the past Mr. Daggy for many years headed his own investment firm in Philadelphia.

AFFILIATED
Fund, Inc.
Prospectus on request
LORD, ABBETT & CO.
INCORPORATED
63 Wall Street, New York
CHICAGO JERSEY CITY LOS ANGELES

Investment Trusts

Seasonal Tendencies

Much research has been spent in attempts to determine seasonal tendencies in stock price movements. National Securities & Research Corp. in a recent issue of "Investment Timing" analyzes the December-January seasonal tendency over the past 45 years. Says the bulletin:

"It is first perceived that the entire period breaks naturally into three divisions, 1897-1913, 1914-1928 and 1929-1941.

"Before 1914, the December low close showed no tendency to come late in the month. In the period 1897-1913 (17 years), the December low came nine times before the 13th of the month, and only three times after the 18th of the month.

"In the period 1914-1928 (15 years), the December low came eight times before the 13th of the month, and seven times after the 18th.

"However, in the period 1929-1941 (13 years), the December low came only three times before the 13th (in fact, there were only three lows before the 17th), and eight times after the 18th.

"Thus there has been a tendency for the December low to come later in the month. Since the most recent period can be presumed to be more indicative of current probabilities, and to represent a set of influences that are of present significance, it is worthy of more detailed examination than the others.

"In the 1929-1941 period, the close immediately before Christmas was lower than the November close (last day of the month) in nine instances, and higher in four instances. The high before Christmas has never, in this period, occurred later than the 15th of December, and only three times on the 15th. Then, once on the 13th, and once on the 11th. Eight times out of 13 it occurred earlier than the 10th of the month. After reaching the high before Christmas, in nine of the 13 cases the decline to the low lasted 14 days or more.

"No later December low occurred on the 31st, and only three on the 30th in the entire 45 years.

"Based on the preceding data, we might summarize the 'seasonal tendencies' in stock prices as follows, giving also an indication of the relative probability.

"(1) Rise in early December (probable, but least so).

"(2) Decline thereafter often lasting until just before Christmas (more probable).

"(3) Sharp rise into early January, beginning just before Christmas (most probable).

"(4) Tendency to decline in early months of new year (probable, but less so).

"Also, in years when the December fall (see '2' just mentioned) does not occur, there seems to be a greater than usual tendency to decline in the new year."

Conclusion

"An understanding of the year-end seasonal in stock prices is, of course, no aid to selection of securities, nor should it be allowed to determine judgment on prevailing market trends. But for those who take action in the December-January period, it is a definite though temporary factor to consider, and one that the investor or speculator should be able to use to some advantage."

* * *

In its December report to shareholders on investment holdings, Manhattan Bond Fund makes the following frank statement with respect to an investment which did not turn out so well:

"The Fund has eliminated from its portfolio the 5% debentures of Childs Company. These bonds were sold at a loss to the Fund.

"The Childs Company is engaged in an endeavor to meet the maturity of this issue on Apr. 1, 1943, through exchange for a new issue of longer maturity. In writing to bondholders on Nov. 23, 1942, Childs Company said, in part: 'We must call your attention again to the fact that the Company has no funds to meet the maturity of the remaining $2,239,000 principal amount unexchanged debentures.' Your management has kept in close contact with the progress of the exchange plan and is not prepared to say that it will not be successfully consummated. It believes, however, that the Fund should not incur the risk involved.

"Even though the bonds were sold at a substantial reduction from cost price, the value of the broad diversification employed by the Fund is demonstrated by the fact that this loss amounts to only about 3 cents per currently outstanding share of the Fund. Of course, the price of the shares of the Fund is adjusted daily to current market values so that the actual sale of the bonds caused no change in the share price.

"In the past we have advised shareholders of the sale of a considerable number of issues held from time to time and, in almost all such instances, have been able to report that a profit was realized. This transaction is an example of the fact that losses as well as profits are incident to portfolio management and that

(Continued on page 2244)

INCORPORATED INVESTORS
Prospectus may be obtained from authorized dealers, or
The PARKER CORPORATION
ONE COURT ST., BOSTON

Municipal News & Notes

The War Labor Board unanimously ruled on Dec. 15 that it had no power to intervene in labor disputes involving State and municipal agencies and their employees. The board ruling followed a public hearing on the question of its jurisdiction in three specific cases, involving the City of New York, Newark, N. J., and Omaha, Neb. In all cases, the city governments argued that the board had no authority to intervene.

The board stated its position in the following resolution:

"After careful consideration of all the matters presented to the National War Labor Board at and in connection with the public hearing on Dec. 9, 1942, the board finds that it has no power under executive order No. 9017 to issue any directive order or regulation in these disputes governing the conduct of the state or municipal agency involved."

Wayne Morse, one of the four public members of the board, added a reservation and explanation, saying that the board should explicitly offer its good offices for the purpose of giving advisory opinions and recommendations in disputes, involving state and municipal workers, when requested to do so by both sides.

"Labor controversies between local governments and their employes can be as disruptive to the war effort as disputes in private industry," Mr. Morse said. "Therefore, in the interests of a more successful prosecution of the war, I think mutual co-operation and a reciprocal use of a state and federal labor relations machinery should characterize the relationships between the federal and local governments in labor matters for the duration of the war."

H. L. Derby, an industry member of the board, who also voted for the resolution, issued a statement saying that he believed that the board not only did not have jurisdiction under executive order No. 9017, but there was nothing in the national labor relations act, the wage and hour act, the U. S. constitution, or any federal or state law which would give the board authority to take jurisdiction.

The New York case involved the City Board of Transportation and the C.I.O. Transport Union. In Newark, the C.I.O. state, county, and municipal workers were involved, and a strike which tied up garbage collection for several days had occurred. The metropolitan utilities district of Omaha and the A.F.L. American Federation of State, County and Municipal Employees were the parties in the third dispute.

Detroit Debt Below Legal Limit After 10 Years

For the first time since 1932, the city was under its legal debt limit on June 30, 1942, Auditor General George Engel is reported to have recently told the City Council. On that date, the close of the 1942 fiscal year, the city was below the limit by $184,325, the Auditor advised in making known the results of the annual audit of the city's books. He further disclosed that revenues in the last fiscal year exceeded expenditures by $3,611,936, according to report.

Edwin C. Coughlin, Deputy City Controller, made known the fact that the city had reduced its net bonded debt by $7,559,163 in the period from July 1 to Sept. 30, the first quarter of the current fiscal year. The net figure was $313,030,163 on Sept. 30, as compared with $320,589,327 on June 30.

Mr. Engel reported that debt service for general tax-supported bonds in the next five years will amount to approximately $17,000,000, or 20% of the city's tax bill. Ten years ago it was 47%.

The Auditor General reported a general fund deficit on June 30 of $4,686,462, but predicted that "barring unforeseen developments" the complete deficit would be eliminated by the end of the current fiscal year.

North Carolina's Fiscal Policy—A Summary

In a report under the above caption, the North Carolina Department of Conservation and Development includes the following statements:

North Carolina's revenue and budget systems are recognized as among the soundest in the nation. A unique feature of the government is the fact that the state has taken over operation of a standard eight-months public school system, the entire highway system, and the prison system for prisoners sentenced to serve more than 30 days.

As a consequence, three of the most expensive and perplexing phases of local government have been removed from the fiscal affairs of hundreds of subdivisions, and consolidated for efficient, economical and standardized administration under the state. The saving in taxation has been substantial, and the move has put many subdivisions in position to reduce indebtedness and lower the tax rate.

To raise the money for operation, the state does not impose an ad valorem tax. A 3% sales tax—with certain articles exempted—and a state income tax, with graduated rates, are prominent features of the tax structure. The highway operation and debt retirement fund is collected separately from a 6-cent tax on gasoline. The Agriculture Fund is collected separately from inspection fees and similar sources.

County and city revenues are raised largely from ad valorem taxes, licenses and operation of utilities. In administering its affairs, North Carolina operates under an Executive Budget Act with final authority over expenditure out of appropriations. The Governor, as Director of the Budget, is directed and required by law to reduce authorized expenditures in case revenues fail to meet estimates.

Both the state and its subdivisions are forbidden by the constitution to borrow more than two-thirds of the amount of money paid on obligations during the preceding fiscal period, except by direct vote of the people.

North Carolina now operates under a permanent revenue bill, which stabilizes, to a great extent, the recurrent problem of revenue raising. Consequently, North Carolina, its towns and counties, face a sound financial future with a rapidly declining debt rate.

Through the Local Government Commission, a state agency, valuable advisory and supervisory services are rendered local officials. This Commission approves and markets bonds and notes for counties and towns, and otherwise aids in economical and efficient functioning of local treasuries. Between 50 and 75% of local tax revenue is being used to pay obligations, and about 20% of state revenue goes for this purpose. (Chart omitted showing current and future annual payments on the State's bonded debt.)

Minnesota May Invest Road Funds In U. S. Bonds

Investment of $10,000,000 in State highway department funds, now set aside for post-war construction, in United States short-term securities will be recommended to the next session of the State Legislature by M. J. Hoffman, Highway Commissioner. Mr. Hoffman announced his proposal in an address before the national convention of American Association of State Highway Officials in St. Louis, Mo.

The money, available in trunk highway and sinking funds, could be earning between $4,000 and $5,000 a month, he said. He emphasized that it may be necessary to dip into the funds earmarked for postwar construction before the war is over if revenues decrease, and for that reason recommends only short-term and convertible securities for investment.

Minnesota's bonded debt charges will approximate $4,500,000 a year, which must be paid regardless how sharp the drop in receipts from taxes on vehicles and gasoline, he pointed out.

Hartford, Conn., Continues Pay-As-You-Go Policy

In his annual message to the Board of Aldermen on Dec. 14, Mayor Spellacy stated that if the city can adhere to its present pay-as-you-go-policy, "we will, in the very near future, be able to lower radically our tax rate." Of the $13,625,000 of bonds issued since 1935, when Mr. Spellacy took office, $5,150,000 were for refunding purposes. Such refinancing, the Mayor pointed out, was "done to keep down the tax rate at a time when little, if any prosperity, existed in our city." The city, he added, has abolished the policy of debt refunding, and "in this fiscal year, as well as in the past fiscal year, we have paid our bonds in full, and that will be the policy in the coming fiscal year."

"At the end of this fiscal year, we will have paid off bonds of $12,272,327, leaving a greater debt of the City of Hartford on March 31, 1943, of $1,352,673 than existed on Dec. 5, 1935, this notwithstanding the nearly $5,000,000 appropriated for flood protection.

"In the budget to be prepared in January, an appropriation of $1,765,000 will be made for the payment of all serial bond maturities due during the next fiscal year, and this, plus maturities of $244,000 that will be paid from the sinking fund, will leave a less bonded indebtedness of $412,327 at the end of the next fiscal year. This will be true if no bonds are issued during the coming fiscal year, and the necessity for such issuance cannot, at the present time, be foreseen. It may possibly be that additional money will be necessary to complete the flood protective works. If so, the amount will be comparatively small, and probably can be met from the capital improvement fund without resort to the issuance of bonds.

"If we can adhere to the pay-as-you-go policy, we will, in the very near future, be able to lower radically our tax rate. The servicing and the payment of bonds require more than six mills on the tax rate. When this expenditure is no longer necessary, its elimination should be reflected in reduced taxes. There is no other way of reduction and still maintain the services we now have."

Indiana Cities May Require Emergency Loans

The Indiana Municipal League, composed of municipal officials of the various cities and towns throughout the State, has announced its intention to fight any possible attempt of the State Legislature to change the gasoline tax distribution law to a percentage basis instead of continuing the present flat rate distribution. This was one of the proposals which was considered during the league's recent 43rd annual convention.

Under the present law, the Legislature fixed the flat sum of $3,000,000 of gas tax revenues for distribution to the cities on a population basis. Fred Parker, Mayor of Michigan City and President of the league, declared that "we are going to insist that this flat date be maintained because our share under a percentage basis probably wouldn't amount to that much." He predicted that many city budgets would be wrecked if gasoline tax revenues drop below 1942 levels, and declared that any decline would make it necessary for two or three hundred cities in the State to resort to emergency bond issues.

The league reversed the stand taken when the matter was before the State Legislature two years ago. At that time the Mayors figured that the local share of revenues, on a percentage basis, would be greater as gasoline tax receipts were then moving higher. However, gasoline rationing is expected to sharply reduce tax revenues in 1943.

Aside from the gasoline tax distribution matter, the league also intends to press its campaign for an increase in the local share of State-collected excise taxes. It will also renew its fight to protect municipally-owned utilities from State taxation.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over—short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

Jan. 4, 1943

$1,020,000 Kenosha Co., Wis.

Previous award made to Paine, Webber & Co., Chicago, and next high bidder was Daniel F. Rice & Co., Chicago.

Jan. 5, 1943

$2,300,000 Minneapolis, Minn.

Halsey, Stuart & Co., Inc., New York, successful bidder at previous sale, with Phelps, Fenn & Co., Inc., being the next best bidder.

Jan. 16, 1943

$983,000 Orleans Levee District, La.

Proposed sale in December, 1941, was canceled because of poor market conditions. Previously, an award was made to R. W. Pressprich & Co., New York.

Feb. 1, 1943

$4,100,000 Maricopa Co., Ariz.

Bids for these bonds will be received by the State Treasurer in behalf of the county.

Senate Blocks Bill For Sale of Free Silver

Hope for passage of the Green bill, for the sale of "free" Treasury silver to war industries, was virtually abandoned at the recent session of Congress, when on Dec. 11 the measure failed to gain consideration on the Senate's consent calendar. The House had likewise failed to take action on the bill. Congress adjourned on Dec. 16.

Senator McCarran (Dem., Nev.), leader of the silver bloc, had been filibustering to prevent action on the legislation on Dec. 8 and Dec. 11. The silver measure, sponsored by Senator Green (Dem., R. I.), proposed to authorize the Secretary of the Treasury, upon recommendation of the chairman of the War Production Board, to sell at not less than 50 cents an ounce, or lease on suitable terms, any Treasury silver not pledged as currency backing. It would have to be used, however, "in furtherance of the war effort." The silver bloc, it is said, principally objected to the bill because of its price features, and the fact that it would make Treasury silver available to civilian users.

The Senate Banking and Currency Committee formally approved the Green bill on Dec. 2. Both the Treasury and Navy Departments had recommended enactment of the measure some time ago.

Senator McCarran, on Dec. 7, offered an amendment as a substitute for the Green bill. Under his bill pledged bullion silver would be released for non-consumptive purposes, always remaining the property of the Treasury and returning to it when the war emergency was over.

Unpledged or free Treasury silver could be released to war industry under WPB direction at a price not less than 71.11 cents an ounce, the legal purchase price of domestically mined silver.

Senator McCarran said his amendment would assure the war program of enough silver by providing for a 20,000,000 ounce stockpile for consumptive purposes.

Russell Law Dies—Advertising Executive

Russell Law, of 26 East 63rd Street, New York and Elmsford, New York, Chairman of the Executive Committee of Albert Frank-Guenther Law, Inc., died Monday night, at Roosevelt Hospital, after a short illness. He was born in Cincinnati, Ohio, Jan. 9, 1882, the son of Charles Henry Law and Fannie Burnet Resor.

Russell Law

On his paternal side, Mr. Law was a descendant of Joseph Law, who came from Scotland about 1736 and settled in Liberty County, Georgia. On his maternal side he was a descendant of Dr. William Burnet, Surgeon-General of the American Army in the Revolutionary War.

Mr. Law was educated at Lawrenceville School, Lawrenceville, N. J., and by private tutors. He traveled extensively abroad, and began his business career with the former Merchants National Bank in Cincinnati, in 1898. He entered the employ of the "Wall Street Journal" in 1911 and in 1914 started his own advertising agency under the name of Russell Law, Inc. A merger with Rudolph Guenther in 1919, resulted in the firm of Rudolph Guenther-Russell Law, Inc. The agency merged with Albert Frank & Co. in 1932 to form the present agency, Albert Frank-Guenther Law, Inc.

Mr. Law was a leader in the commercial, financial and travel advertising fields.

He is survived by his wife, Florence Rockhill Gilson, daughter of Homer Nathaniel Gilson and Marion Rockhill, and a sister, Mrs. Lavinia Law Robertson, of Cincinnati.

He was a member of the Bankers Club, New York Athletic Club, Knollwood Country Club, Sons of the American Revolution, Ohio Society of New York and Madison Square Garden Club.

This Broker Business

(Continued from first page)

that a conformist policy was the wise course. The "old guard" went on a sit-down strike and the rank and file of salesmen and other producers just bit their lips and day by day worked up their spleen to the point where they spent more time damning things as they were than in trying to adapt themselves to conditions, however unjust. Business fell off in proportion to the time given to other than business-getting efforts.

"The broker business was, and still is, regulated unmercifully. Ours is the only business that has to wistfully bow its head and fervently pray for redemption when the much-vaunted "freedom of enterprise," "individual initiative," etc., etc., are flung our way. Ours is the only business where the very heart of the capitalistic system—CREDIT—is not in the hands of those who take the risk. In fact, ours is the only business where the clientele is so badgered in the name of the law that I sometimes believe it is only an indomitable will on the part of both proprietor and customer that permits it to continue.

"There was nothing wrong with finding the culprits, or even with "chasing the money changers out of the temple," but there was—AND THERE IS—something wrong with punishing the whole family because of the black sheep.

Defeatism Grows

"All the ills that plague this business, however, are not due to unreasonable and unjust regulation. It is this writer's firm conviction that a stubborn, vengeful unadaptability gradually grew into the worst kind of negative salesmanship and the gloomiest of defeatism. It hasn't been so long ago that I have seen many customers sent away quivering fugitives from "state socialism" before they had an opportunity to make their wants known.

"Nor can you blame any of us in this business for the way we have acted. For over a century brokers have had things pretty much their own way. During that time certain ills, human nature being what it is, are bound to have developed. We could not help being resentfully bitter when suddenly an industry that has in the main always been honest and useful was branded wicked and deserving of constant policing. The melancholia from which we are now suffering has just about become chronic. A few more mergers and it will become acute—even though it might center under one big roof.

"Were I a doctor my diagnosis would be that we are neither incurables nor untouchables. What every one of us, particularly those charged with the little detail of producing business, needs is the serum of IMAGINATION. Imagination to appraise the status of our business and make the best of it; imagination to appraise our economic structure in time of war and to envision post-war values; imagination to PRODUCE business, instead of surprisingly receiving an unexpected order.

"Ours is a legitimate and essential business. There is no reason in the world why we have to exist from day to day under such a precarious sufferance. But, if we do, let us adapt ourselves to it and get ourselves off into a corner and give ourselves a good talking to.

"It has been six years (third phase) since Alf Landon ran the race upon which so many in this industry pinned their hopes for a come-back. Disappointments come to every man. Let us forget that one. It has been two years since Maine and Vermont were accounted for. The vindictive and apathetic disillusion that came over most of those in this business should really be easing a bit by now. Many customers after November, 1940, encountered such a dense smoke of gloom and despair upon entering a broker office (with good intentions) that they forgot what they came in for in their haste to get out for a breath of pure air—and stayed out.

Customer-be-damned Complex

"Many of the 'back-office help' entered into the spirit of things and adopted the customer-be-damned complex. That was only natural. They heard the boss talk; they heard the salesmen predict the end of everything; they had been cut to WPA wages and the rumor was that their firm was to be taken over by a certain large outfit that had heretofore done quite a bit of taking over. What did they care? Morale, so evident in the old days, was now at low ebb.

"Today (the phase we are in) the partners and customers' men (and a skeleton office force) are wondering why business is so lousy. Today customers' men who not so long ago neglected their business to condemn everything not to their liking, including organized labor are (many of them, at least) working nights in factories in order to hang on to their jobs in "the Street" days—and are FORCED to join a labor union. What irony!

"But today the "doctor" can see a most favorable sign that may portend better things. The survivors who are supposed to bring in the business seem to be more reconciled and have mellowed to the point where they would like to have the business if they could only get it. Perhaps they realize that they have kicked a lot of it out the window, or perhaps they suspicion that there's a lot of it lying around in a state of inanimate suspension. I believe they are right.

"This writer firmly believes that much better things are in store for those who would accommodate the person with surplus funds to invest. Not only that, but the changing tax problem (not to mention the many other war problems) challenge at least a little of our imagination in servicing those who have already invested and find that they should make a change.

"It must be evident to every partner, branch manager, sales manager, or similar executive that some of his men are still able to make fairly good showings while others, who perhaps in the past were big producers, are static. There is a good reason for this. Too many of our producers are in the doldrums. They want the business but they are not doing one solitary thing about it. Outside of nagging the branch managers and their other subordinates to cut down expenses, and casting a few doleful and dire remarks about poor business, the partners and other executives are doing very little to whip up their production staffs into an intelligent and constructive business-getting organization. Our industry very recently proved that it could function when—free of charge—it put over a Government war bond issue. That proved that we are not only among the best of the patriotic but that we are capable in our business. Our industry will always be there when patriotic heads are counted. It is not amiss to remark that perhaps the way "special offerings" are grabbed up may offer some kind of clue.

"As a journeyman broker telegrapher with many years of service, and as an international officer of organized broker telegraphers, I am very much interested in protecting the equity we have in this business. I believe I speak for the majority of broker telegraphers (both Morse and teletype) We would like to contribute something constructive to the end that instead of mergers, retrenchments, and plain "folding up" we might have a healthy competitive aggregation. The broker telegrapher, if he is not just a mere mechanic, usually is one of the best-informed persons in any broker office. This is particularly true of so-called "country offices." From his observation post he learns many things. His knowledge is all too often ignored. He might surprise you if you called him in some time when you're having skull practice. He may not be a salesman, but we'll bet he could give the salesmen some valuable tips.

"In conclusion, let me urge upon all of us in this business that there is nothing contrary to ethics to prevent us from using good, clean, aggressive business-getting tactics. Never forget to remind the person with idle money who is doubtful of the war's outcome that if we lose his cherished money will be just so much junk. Encourage him to help financially with the war effort, but avail yourself of all the services your firm offers to intelligently assist that person to properly utilize his surplus funds.

"Let's quit being crybabies; let's quit feeling sorry for ourselves. As bad as our situation is, let's make the best of it. Let me suggest that it isn't altogether imposssible that we might be able to convince Washington that we have served our sentence, or at least that we are eligible for parole. The Commercial Telegraphers' Union (AFL) might be helpful as it has in the past when brokers had problems in Washington, state capitols, and some cities.

"Believe me, gentlemen, there's business to be had. I see it every day when I note what the aggressive salesman with imagination does, as compared with the one who is still living in the past and sits at his desk all day hating and reminiscing about the "good old days." I could easily write a series of articles giving concrete examples of ingenuity, imagination, and good salesmanship I have witnessed. Perhaps I will. Or perhaps the brokers will get together and hire a good sales manager to serve the whole industry. I would be delighted to submit a few ideas for his consideration. Scores of my colleagues would do the same.

"Come on, let's go! In telegraph parlance, GIB!!"

Editor's Note: The "Chronicle" will shortly carry a series of articles by Mr. Alcorn dwelling on the examples of ingenuity, imagination, and good salesmanship to which he refers in this article.

SEC Revisions For Holding Co. Accounting

The SEC has announced the adoption of certain revisions, effective Jan. 1, 1943, to its Uniform System of Accounts for Public Utility Holding Companies. Under the provisions of Rule U-26 the revised system, subject to certain exceptions, is applicable to all registered public utility holding companies and their subsidiary holding companies. The principal exception covers holding companies which are also operating companies. In addition to certain technical changes and other minor changes designed to improve and clarify the system of accounts, revisions of a substantive character were made in the following accounts:

The revised text of Account 190, Investment Securities and Advances, includes a new paragraph relating to investments now carried at unsegregated book amounts. Where it is not possible to determine from the accounts and supporting records the amount applicable to each of such investments, it is provided that they may be stated at one amount but, hereafter, upon sale or disposal of any such investment, the unsegregated amount is required to be allocated to each investment unless the Commission otherwise approves or directs, the method of allocation being subject to the approval or direction of the Commisison.

The revised texts of Account 120, Discount on Capital Stock; Account 121, Commissions and Expense on Capital Stock; Account 130, Reacquired Capital Stock; and Account 150, Capital Stock, now provide that premiums and assessments on one class of capital stock may not generally, without approval of the Commission, be used to absorb discount and repurchase premium on capital stock of a different class.

The text of Account 200, Dividends, in the original system has been substantially changed by notes A and B in the revised system. Note A now prohibits the taking up of stock dividends as income or surplus if the stock received as a dividend is of the same class as the stock on which the dividend in stock is paid. Under the original system stock dividends might be taken into income or surplus under certain conditions if the recipient company chose to do so. A new note B provides that if the dividend received in stock is of a class different from that on which the dividend is paid, the dividends may, with prior approval of the Commission, be treated as income.

Account 240, Taxes, Other than Income Taxes, and Account 270, Income Taxes, in the revised system supersede Account 240, Taxes, in the original system and result in separating income taxes from other taxes. The order of presentation of the accounts also indicates that income taxes should be shown as the last item of deductions in computing net income rather than as an operating expense.

While the revision of the Classification was in process, a suggestion was received that holding company investments be carried at amounts which reflect their equity in the subsidiaries on the basis of the underlying original cost of the subsidiaries' property, less appropriate depreciation and depletion reserves, and that any present excess over that amount be segregated and eventually eliminated. While this proposal was rejected, it was recognized that in balance sheets of public utility companies, it is important to set forth tangible and intangible utility plant so as to show separately the original cost, plant acquisition adjustments, and plant adjustments, and, in consolidated balance sheets of a public utility holding company and its subsidiaries, to show in addition the difference between the parent's investment in and the underlying book equity of subsidiaries as at the respective dates of acquisition. It is therefore proposed to adopt rules to require such segregation in financial statements filed with the Commission where original cost studies have been completed and to require appropriate footnote disclosures where such original cost studies are not completed or required.

What To Buy?

Medium priced bonds and preferred stocks, considered by many investors to be a speculative type of investment media, when carefully selected have proven "conservative" in the true meaning of the word, G. A. Saxton & Co., Inc., 70 Pine Street, New York City, states in the current issue of their "Preferred Stock Guide." Copies of the "Guide," discussing the case for these securities, and containing quotations on public utility stocks arranged in an interesting comparative table, may be had from the firm upon request.

INSURED
INVESTMENT
CERTIFICATES
•
FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION
OF ATLANTA, GEORGIA

Tenn. S. & L. Group Elects New Officers

At the convention of the Tennessee Savings and Loan Associations, the following were elected officers of the State group:

J. S. Stephenson, President.

Chas. J. Haase, Vice-President—West Tennessee.

Roy Hamilton, Vice-President—Middle Tennessee.

I. N. Barnett, Vice-President—East Tennessee.

Wm. C. Walkup, Secretary-Treasurer.

It was revealed that the Tennessee associations had raised 167% of their quota in the $100,000,000 campaign of Savings and Loan Associations for the purchase of War Bonds for their own portfolios. Tennessee has 38 Federal Savings and Loan Associations with assets in excess of $40,000,000.

NYSE To Extend Time Of Partnership Continuance After Members's Death

The Board of Governors of the New York Stock Exchange at a meeting on Dec. 17, approved a proposed amendment to Section 13 of Article IX of the Constitution, relating to the continuance of a partnership for a limited period of time with the status of a member firm after the death of the sole Exchange member partner. Emil Schram, President of the Exchange, in advising members of the action, added:

"At present the limit of time is fixed by Section 13 of Article IX at 60 days. The proposed amendment would eliminate this limitation and would permit the Board to prescribe whatever limitation it deems necessary after considering the circumstances surrounding each case involving the death of a sole Exchange member partner. However, the Board would not expect to prescribe a limit exceeding 60 days in any case except where the sole Exchange member partner died while in active service with the armed forces, or in public service incident to the national defense.

"The Board also approved a proposed amendment to subparagraph (1) of Section 5, Article XI, the purpose of which is merely to describe more accurately the status of the estate of a deceased partner which continues to have an interest in a partnership.

Profits From Dissolution

The current situation in United Corporation $3 cumulative preferred offers very interesting profit possibilities, according to a memorandum being distributed by Newburger & Hano, 1419 Walnut Street, Philadelphia, Pa., members of the New York and Philadelphia Stock Exchanges. The fact that the market price of United Corporation preferred is only 57% of its liquidating value is of greater significance today than in the past because, the bulletin declares, it seems likely that United Corporation will be forced to liquidate in the not too distant future. Copies of this interesting memorandum may be had from Newburger & Hano upon request.

SEC Announces Five New Proxy Revisions

The SEC has adopted several revisions to its proxy rules applicable to all solicitations after Jan. 15, 1943.

At the same time the Commission announced a general simplification of registration and reporting requirements under the various Acts which it administers through a comprehensive revision of its forms and regulations. It is believed that the program will result in considerable saving of paper work and will at the same time preserve for investors any protection afforded by the statutes.

The principal revisions to the proxy regulations are:

1. More extensive information must be given on the compensation and dealings of corporate managers, as well as a brief statement of the principal occupation of all directors and a resume of the business experience of new candidates.

2. Regular annual reports to stockholders must accompany or precede proxy statements.

3. Stockholders making proposals for action which are opposed by management must be given not more than 100 words in the proxy in which to state their position, provided the security holder gives the management reasonable notice of his intention.

4. The exemption heretofore granted corporations making proxy solicitations without use of the mails or interstate commerce is abolished.

5. An exemption is provided from the rules for certain types of solicitations through newspaper advertisements.

The additional information required about management includes a list of all directors and officers, except officers (not directors) receiving less than $20,000 a year, together with a statement of the amounts received in cash as well as under pension or option plans. Information must also be given showing all loans to officers and directors not made in the ordinary course of business, together with a brief description of all material transactions of officers and directors and their associates with the company or its subsidiaries.

Several months ago the Commission authorized its staff to circulate the proposed revisions to its proxy rules for comments and suggestions. The revisions announced today take into consideration the comments received. A number of the suggestions proposed by the staff were not adopted. They are:

1. The requirement that information of the type submitted in an annual report to stockholders including financial statements shall be included in the proxy statement.

2. The suggestion that minority stockholders be given an opportunity to use the management's proxy material in support of their own nominees for directorships.

3. The suggestion that persons soliciting proxies be denied the right to obtain discretionary authority where security holders have not marked ballots. This proposal was not adopted but a requirement of a clearer statement concerning the solicitation of discretionary authority was included in the new rules.

4. Compensation of officers who are not directors and who receive $20,000 or less is not required to be reported.

Consideration of the proposed revisions to its proxy rules led the Commission to an acceleration of the survey which it had earlier begun of the forms and regulations under the various statutes which it administers. This resulted in a general streamlining of a number of the reporting forms, with the adoption of many of the suggestions received from industry and which had been under consideration by the Commission for some time. The principal revisions are:

1. A new general form has been adopted for registration of commercial and industrial companies under the Securities Act of 1933, permitting the filing of the prospectus as a principal part of the registration statement, thus eliminating much duplication between the prospectus and the registration statement proper.

2. A registration statement filed under the Securities Act becomes a basic document under the simplification program so that securities covered by the statement may be listed on a stock exchange by filing copies of the registration statement. If a company is required to file annual reports with the Commission, these reports may consist principally of copies of its registration statement under the Securities Act, its annupal report to stockholders, or a 13-months' prospectus. One result is that a company's annual report to stockholders, its proxy statement and its annual report to the Commission may, generally speaking, be the same document.

3. A number of changes have been effected in the requirements for financial statements designed to simplify and shorten such data by permitting under designated conditsions the omission or partial omission of certain schedules, and by permitting all figures appearing in financial statements to be stated in thousands of dollars. Financial statements included in annual reports to stockholders may be incorporated in annual reports to the Commission if they substantially conform to the requirements of Regulation S-X. A supplementary opinion of the Chief Accountant will be released shortly discussing the type of grouping or condensation which may be followed in financial statements without preventing substantial conformity with the requirements of Regulation S-X.

4. The procedure for registration of additional securities on an exchange and for registration on an additional exchange has been simplified by the revision of Forms 8-A and 8-C.

5. The Annual Supplement Form U5S for registered holding companies has been revised to eliminate 23 out of a total of 42 items or sub-items and 6 out of a total of 13 exhibits or sub-exhibits. In addition, many of the remaining items and instructions thereto have been amended to decrease the quantity of information required.

6. Two skeleton forms have been adopted for the use of public utility holding companies registered under the Holding Company Act in filing annual reports under Sections 13 and 15 (d) of the Securities Exchange Act. These forms permit such companies to file copies of their annual supplements in lieu of furnishing the information required in the forms heretofore used by such corporations. However, such companies must file the financial statements required by Form 10-K and the financial statements must be prepared in accordance with Regulation S-X.

The new program also includes simplified forms for the registration of securities of closed-end and open-end management investmeint companies and unit investment trusts which permit such companies to file a registration statement consisting of little more than a prospectus.

The use of the new forms included in the simplification program is entirely permissive, except that the new Form U5S under the Holding Company Act is intended to supplant the existing form until further notice. Any company may use them or may follow the procedure heretofore in effect. During the next several months the Commission will receive and give careful consideration to any criticisms or suggestions with regard to the use of the new forms. These forms are now in preparation and will be available shortly.

Sees Change in National Economy Which May Have Direct Bearing on Market

A change is now being made in the nation's economy which is nearly as important, if not as revolutionary, as the "100% conversion" of a year ago. According to Lord, Abbett & Co., 63 Wall St., New York City, in its current issue of the firm's "Economic Review," written by W. H. Griffiths, President of Research and Management Council, an affiliate in the Lord-Abbett organization, the country is now entering the third stage—or the "rational effort" phase—of our war economy. The third phase, according to the "Review," may have a direct bearing upon the market, in which the principal investment question will be whether a given company is a primary contractor or a sub-contractor. In describing the broad divisions of our war economy, the "Review" states:

"The first stage might be called 'partial preparation,' and its dates might be fixed as June of 1940 to December of 1941—that is, from the French collapse to Pearl Harbor. In this period our defense activity was half-hearted and tentative, by later standards. The popular catch-word of the day was that the United States, in contrast to other nations, had enough resources to create both guns and butter.

"The second stage might be termed the 'all-out effort' from January of 1942, to December of 1942—roughly speaking, of course. We entered this period in critical need of as much as possible of everything conceivable as soon as possible. The amount of manpower and raw materials devoted to any one bracket was determined simply on the basis of **relative urgency** and not on **quantitative need.**

"Now we seem to be entering the third stage, or the period of 'rational effort.' This status has been made possible by: (1) the tremendous flow of goods and the substantial stock piles now on hand, and (2) the fact that our enemies are rather definitely committed to their war plans, and at the same time the United Nations appear to have satisfied themselves as to the military policies which they wish to pursue.

"This means that we no longer want as much as possible of everything. In contrast, our governments now make calm decisions as to precisely how many units per month of each item is required. More important than this, the required quantities in many categories are equal to, **or below**, our present capacities. Thus, in effect, our governments can pick and choose, increasing or decreasing orders on a rational and calculated basis.

"Evidences of the existence of this third state are already coming to light. For example, it is reported that 'cutbacks' (contract cancellations or reductions) have been ordered with respect to anti-aircraft guns, tanks and trucks. Ammunition cutbacks are expected shortly. Materials and manpower thus released are expected to be applied principally to the manufacture of aircraft.

"This change is already having an effect on relations between primary contractors and sub-contractors. When primary contractors begin to experience 'cutbacks,' or hear about 'cutbacks' in other fields, and when they read about the imminence of victory, they naturally begin to look upon war orders as limited and temporary sources of business which they would like to keep to themselves as much as possible. It is conceivable that there will be a period ahead of us when the question of whether a given company is mainly a primary contractor or a sub-contractor will have a bearing upon the market valuation of its stock.

"These recent developments do not imply the return to consumer goods activities. On the contrary, when a shortage of some materials is proclaimed in the future, it will be based upon strict realities and not general principles. For example, the demand for heavy, ordinary, steel may become less urgent, but the need for special steels and alloys may be more acute."

NYSE To Extend Time For Annual Reports

Emil Schram, President of the New York Exchange, announced on Dec. 17, a general policy by which the Exchange will be guided in relieving the difficulties which listed corporations may have in meeting requirements as to the time for publication of their annual reports during 1943. In indicating this the Exchange said that "this policy was formulated after discussions with the Committee on Auditing Procedure of the American Institute of Accountants and after it became evident that many corporations will be unable to release their annual reports for this year as early as has been the practice heretofore. This situation is the result of increased accounting work arising out of war-time conditions and of the shortage of trained accounting personnel among public accounting firms as well as corporations."

The Exchange's announcement further stated:

"In general, listed corporations, under agreements with the Exchange, submit annual reports to stockholders not later than three months after the close of the fiscal year, and at least 15 days in advance of their annual meetings. It will be the policy of the Exchange, upon application by the corporations showing necessity, to extend these time limits for an appropriate period beyond three months after the close of the fiscal year, and to a date fifteen days in advance of a postponed annual meeting or the reconvening of an adjourned meeting. Such extension will be with the understanding that the corporation release for publication, within the time limits fixed by the company's original agreement with the Exchange, an unaudited preliminary statement of operations appropriately qualified as subject to adjustment. Such preliminary statement should show estimated earnings both before and after Federal income taxes and possibly the dollar volume of sales, depending upon circumstances."

NYSE Finds Listed Co. Earnings Down 16.3%

The exigencies of war times find reflection in this Autumn's statistics of operating results among corporations having common stocks listed on the New York Stock Exchange, it was stated in the November issue of "The Exchange" magazine published by the Stock Exchange.

In a tabulation, presenting consolidated returns on 390 listed companies for the first nine months of 1942, the net earnings for the group were reported at $1.521,274,000.

"Even though the net income data for the first nine months of 1942 show a 16.3% decline compared with the same period of 1941, the Exchange points out a sturdiness of earning power is indicated that has gone far toward overcoming top-lofty provisions for excess profits and other taxes. In fact, the magazine adds, current corporate income figures appear to be well above 1940 levels on the basis of the comparative data published last year, when the nine months' figures for 1941 were 28.3% higher than those for 1940."

The Exchange's publication further says:

"Of the 390 listed corporations included, all except 10 had net profits to report for the current nine months. Compared with the showing of the 1941 period over 1940, another item discloses comprehensively how taxes have eaten into corporate gross profits. Only 124 of the 390 companies reporting show this year an improvement in earnings for the first three quarters over those for last year; in the first nine months of 1941 as many as 324 companies out of a total of 400 reporting showed an improvement over the comparable 1940 period.

"Nevertheless, improvement this year did occur, as far as net earnings are concerned, in a rather unexpected quarter. While the net income of the automobile company group, with 36 out of 62 listed concerns reporting, receded 40.7%, no less than 13 of these companies noted an improvement in their net income accounts. In fact, it seems evident from the current data that many listed corporations, in spite of taxes, higher production costs and other dislocations arising out of the war emergency are faring better this year than they did last and by far a large majority of them are well ahead of their returns for the 1940 period."

Pennsylvania Bankers Hold A Unique Forum

At their recent meeting the bankers of Delaware County, Pennsylvania, held a unique forum at which five prominent citizens gave a frank statement of the public's criticism of banks and bankers. Donald L. Helferrich, Executive Vice-President of the Upper Darby National Bank, and President of the Delaware County Bankers' Association, acted as discussion leader. The announcement, regarding the forum, says:

"The bankers were told that they were slow to see merit in anything, the success of installment houses, small loan companies and the Mortgage companies being cited to support the contention. The professional bank officer was accused of keeping from, or misinterpreting to his Board of Directors much of the new business and many of the new ideas that are a part of a changing economy. The banks were presented as avoiding their duties as quasi-public institutions."

The members of the panel were Martin Hatch, a lawyer; Mort Farr, head of an appliance business; William Pickett, a realtor; William Carson, Administrator of the F. H. A. for Easton, Pa., and Dr. Andrew Johnson, a citizen.

Penny Wise and Pound Foolish

The cashier of one of the large firms in the Street tells us the story of how his firm cancelled their subscription to the "Chronicle" as an economy measure. Just the past week the cashier missed a dividend notice, which had appeared in Monday's edition of the "Chronicle," and this cost his firm many times the savings effected—which goes to prove that a workman is only as good as his tools.

Monday's statistical issue and Thursday's final edition contain everything from complete coverage of corporation and municipal news, daily high and low prices of Stock Exchange stocks to general news found so vital to thousands of bankers, brokers and moneyed people, generally.

UP-TOWN AFTER 3

MOVIES

Wars, being what they are, have always been a ripe source for movie plots. The fruits, however, have too often been hodgepodges of romanticism, tales of redemption, or stories of the right-will-prevail variety. As entertainment they may have been excellent, but as factual reporting built around plots which don't strain one's credulity, they have as much to do with the present war as Boy Scout drills have to do with modern blitz tactics. The only countries to show wars as grim, bloody messes, is England, and, in some of the documentary films, Russia. That both have been at war for years, have suffered heavily, may have something to do with it. Or, perhaps, they feel the unvarnished truth will do more for morale than all imaginative plots script writers can dream up. It is true, we have made some efforts towards realism in war pictures. But the number of such Hollywood productions can be counted on the fingers of one hand. The latest, and by far the best war movie to date, comes from England. It is the Noel Coward picture, **"In Which We Serve,"** distributed here by United Artists. In grim, factual fashion, it relates the story of the British destroyer, "Torrin," its captain and its crew. In flashback sequence it shows the launching, commissioning, its first enemy action. Its part in the Dunkirk evacuation to its final sinking in the waters off Crete. Interwoven in this story of a fighting ship are the human stories of the crew enjoying their brief reunions with their families. But where it excells, is in the action scenes. Nothing like it has ever been seen in this country. Possibly "We Are The Marines," and, to some extent, "Wake Island," approach the intensity of "In Which We Serve." But nowhere do either of these American films touch the awe inspiring drama of the men who die on ships so powerfully as in this English picture. Curiously, both the latter and "We Are the Marines," have felt the Hays office shears. In both cases the censors feel that battles for one's life should be fought in atmospheres of verbal purity. If you are lying helpless in an oil-covered sea, cowering as enemy planes dive to machine gun you, your only epithet, according to the Hays office, must be a resounding "Gosh darn it!" It is true, the elimination of some words doesn't detract from the greatness of the Noel Coward film. Still, it is irritating, and serves no real purpose. By all means, see "In Which We Serve." You'll remember it for a long time to come. . . . Going from the war to a fantasy that only Hollywood could concoct, seems like a pretty long step. But, if you like escapism, you'll probably enjoy **"Arabian Nights"** (Universal). It is a colorful, super-super, Hollywood picture, done in grand style. It is a tale right out of the "Arabian Nights," set in colorful Bagdad, and tells of a dancing girl, Scheherazade, who upsets the Caliphs, no end. One brother foments rebellion against the throne, and is ordered to die. He escapes, usurps the throne and becomes Caliph. The deposed monarch in hiding meets Scheherazade, falls in love, and, after many adventures, regains his throne. It's all done in swashbuckling fashion, with the heroes fighting their way to the top. The picture never knows when to take itself seriously, so that, at times, it becomes really funny. Just as a serious mood is introduced, Aladdin starts rubbing lamps (he lost the original). When the serious mood is recaptured, Sinbad begins reminiscing of his life as a sailor; a tale he is never permitted to finish. The result is often first rate comedy. The sets are awe inspiring. Reminds you of D. W. Griffith's "Intolerance," with overtones of modern Hollywood glamor. The photography—all color—is magnificent. The story is full of action—the kids will yell their heads off. The men will go for the eye-filling harem girls, and the ladies will, probably, like the romantic angle. The hero is Jon Hall. The heroine is Maria Montez. The villain is Leif Erikson. The comics are Shemp Howard, John Qualen and Billy Gilbert. Sabu plays a kind of cupid who sees that the right people get together.

AROUND THE TOWN

Here are some more New Year's Eve prices: **Waldorf-Astoria** Wedgewood Room-Xavier Cugat and floor show, $10 each, plus tax. **Cotillion Room** (Hotel Pierre), $12.50 each, plus tax. **Cafe Pierre**, $7.50 each, plus tax. **The Versailles**, $12.50 each, plus tax. **El Morocco**, $15 each, plus tax. **The Stork Club**, $12.50 each, plus tax. **The Monte Carlo**, $15 each in the main room, and $10 each in the Casino, both plus tax. . . . **Scenes**—Men watching "men at work" on 59th Street—Gary Cooper, Spencer Tracy and Jean Gabin. . . . Arthur Treacher at Jimmy Dwyer's Sawdust Trail, trying to juggle trays, and the whole thing comes down with an awful smash. . . . **Stories Going the Rounds**—Red Skelton insists he received this letter several days ago from a relative: "Dear Red: Gue$$ what I can u$e mo$t of all for Chritma? Plea$e $end it along. Be$t Regard$. Your Cou$in $am. P.S. There'$ nothing wrong with the typewriter. $am. . . ." Two drunks swayed on the corner while waiting for a taxi. One of them boasted he'd have no trouble locating his house. "You mean," said his companion, "that there will be a light burning in the window?" "No," was the response, "but my wife will be." . . . From the West Coast comes word that the **Paris Inn**, 210 E. Market St., Los Angeles, is the place for fun. Bert Rovere, owner, and Fred Geromino, headwaiter. Fred doubles in brass, sings with the waiter chorus, might pose a problem and can't tell if to applaud, or to order.

Arthur Sedley Dies—Bankers Bond President

LOUISVILLE, KY.—Arthur S. Sedley, founder and President of the Bankers Bond Co., Inc., Kentucky Home Life Building, died at his home in Pewee Valley.

Mr. Sedley came to Louisville from Chicago in 1923. He was President of the Cumberland Apartments Co., Chairman of the Board of Louproco Realties, and President of the Berkshire Hotel, Kansas City, Mo.

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FHLB Directors Named To Member Banks Bds

The Federal Home Loan Bank Administration announced on Dec. 19 the names of directors elected or reelected to the boards of the 12 Federal Home Loan Banks for two-year terms. The Associated Press reports that, among those elected to banks in the following cities were:

Pittsburgh: Fred C. Klussman (re-elected), Pittsburgh; William Reinhardt (re-elected), Philadelphia; James W. Turtle, Philadelphia and C. E. Brown, Moundsville, W. Va.

Winston-Salem: Edward C. Baltz (re-elected), Washington, D. C.; J. F. Stevens (re-elected), Greensboro, N. C.; Frank Muller, Jr., Baltimore and W. Brown Howell, Panama City, Fla.

New York: Dr. Herman L. Reis, New York City; Rey H. Bassett (re-elected), Canton, N. Y.; Joseph A. O'Brien, Camden, N. J., and J. Alston Adams (re-elected), Westfield, N. J.

Cincinnati (all re-elected): William A. McMillen, Cleveland; W. B. Furgerson, Louisville, Ky.; Charles J. Haase, Memphis, Tenn., and R. A. Stevens, Dyersburg, Tenn.

Little Rock, Ark (all reelected): Grover J. Casselberry, El Paso, Tex.; J. J. Miranne, New Orleans; R. H. McCune, Roswell, N. M., and H. T. Leonard, Kosciusko, Miss.

Boston (all re-elected): Milton A. Barrett, Fitchburg, Mass.; Raymond P. Harold, Worcester, Mass.; George B. Lord, Portsmouth, N. H., and Walter P. Schwabe, Thompsonville, Conn.

United States To Lend Britain And Australia Silver For Coinage

Secretary of the Treasury Morgenthau disclosed on Dec. 14 that the United States had been asked by England and Australia to "lend" silver for coinage purposes, and that an arrangement had been worked out. Mr. Morgenthau said that these two countries had made the request because of the increasing demand for coins necessitated by the presence of a large number of soldiers, including Americans. It is stated that under the plan the silver will be shipped under lend-lease and an equal amount must be returned by the countries making the loan after the war is over. Associated Press accounts from Washington Dec. 14, said:

"Although England and Australia are the only nations which, so far, have indicated a desire to lend-lease silver, the Secretary said, it would be available on the same basis to China, or any other United Nation which desired it."

Indicating that some comment has developed in financial London as a result of the decision of the United States Government to send silver under the lend-lease program to any one of the Allied nations on the agreement that a comparable amount will be returned to the United States after the war, a wireless message from London Dec. 20 to the New York "Times" added:

"It is unlikely that the London silver market, which is very closely controlled, will be affected, but the news seems to have come as a shock to the Bombay market. London bullion circles are of the opinion that the United States decision, which has evidently been taken to relieve Britain's needs for silver to augment currency supplies, indicates that the Indian Government's silver is no longer available to the British Treasury.

"It has been assumed that the silver stocks of Britain and India were very large, but this development seems to indicate that while India still has sufficient silver for her own requirements, she can no longer afford to send even small amounts to Britain owing to her own currency requirements.

"If Britain is now to receive silver from the United States instead of drawing on the Indian supplies, it can be understood that the bullish sentiment in the Indian silver market has received something of a shock."

What *Every Woman* wants to know about a Man . .

. . . that he chooses flowers for her, and Old Schenley, *America's mildest bottled in bond*, for his guests!

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Straight Bourbon Whiskey

Two New Directors of Com. & Ind. Ass'n

Victor Emanuel and Fred I. Kent have been elected to the Board of Directors of the Commerce and Industry Association of New York, it was announced Dec. 22 by Neal Dow Becker, President of the Association.

Mr. Emanuel, President and Director of The Aviation Corporation, is also a Director of the Aircraft War Production Council, East Coast, Inc., and a member for industry of the War Manpower Commission of New York State. He is Chairman of Commerce and Industry Association's Committee on Aeronautics.

Mr. Kent, a Director of Bankers Trust Co., and President of the Council, New York University, also heads the Association's newly formed Post-War Planning Committe and is Chairman of its Committee on Education. He is also a member of the Association's Banking and Currency Committee and the Committee on Re-employment of Men and Money.

J. van Ahlers Heads Schwabacher Co. Dept.

SAN FRANCISCO, CALIF.—John van Ahlers has become associated with Schwabacher & Co., 600 Market Street, members of the New York Stock Exchange, as manager of the Statistical Department. Mr. van Ahlers succeeds Philip Small who has resigned to accept a government position.

Mr. van Ahlers was formerly connected with the Analytical Department of the Wells Fargo Bank & Union Trust Co., San Francisco, and prior thereto was a member of the Investment Analysis Department of the City Bank Farmers Trust Company, New York City.

E. H. Rollins Co. Moving N. Y. Office

E. H. Rollins & Sons, Inc., New York City, announce the removal of their New York office to 40 Wall Street on Dec. 28, 1942. Telephone and teletype numbers will remain unchanged.

Hart Smith Co. Gives Employees Xmas Bonus

Hart Smith & Co., 52 William Street, New York City, are giving a Christmas bonus of three weeks' salary to employees who have been with the firm for a year or more. Those serving less than a year are to receive a consideration based on their period of employment.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 2237)

support points. When, as and if this is seen, the pendulum will swing to the other extreme. It is at such a point that I will again become interested sufficiently to advise the new purchases of stocks.

* * *

In the interim the stocks you hold have not been unkind to you. For example, Air Reduction bought at 30 made a new high of 41⅜. Stop should now be raised to 37. Goodyear bought two weeks ago at 22½ is now at 25½. Raise stop to 23. International Harvester bought at 43 is now at 58½. Raise stop to 54. The only stock in the list which did not share in the recent rise was Superheater bought at 13. It's now at 12½ and doesn't act well. If it breaks 12 get out of it.

* * *

More next Thursday.

—Walter Whyte.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

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HOW DID WE GET THIS WAY?

(Continued from first page)

Schemes to shift the burden of the cost of government entirely upon the shoulders of the greatest producers destroy incentive, encourage extravagance and retard when they do not halt progress. They are economically myopic, socially dysgenesic, intellectually decadent and incubated in stupidity. Political opportunism is their leitmotif although they are given an aura of humanism. Taxation based solely upon the ability to pay destroys the ability as is proven by the accumulated experience of mankind. Historians agree that one of the major reasons for the fall of Rome was the pressure of unscientific taxes upon production, made necessary by the effort to support inefficient producers.

Such schemes, always replete with ambiguities, are justified by liberals by the contention that the greatest producers have the greatest stake in the total economy and should bear the burden of its protection. They have a certain measure of plausibility but not one iota of validity. They are sanctified by what is called public opinion, as though this was the epitome of all wisdom and not largely the result of propaganda which meticulously avoids facts with perverse scientific exactitude.

The theory is another example of perverted reasoning and its acceptance proves that politicians are monotypic and seldom adopt their careers because they are interested in asceticism but rather because of a craving for the accolades of the crowd which they can persuade without proof because people are satisfied with assurances and assertions that are confidently made and frequently repeated. Reiteration is a powerful force. Speeches impress even when they are notable only for what is not said. Those who have opinions control those who have none regardless of the validity of the opinions. There is an established technique for capitalizing on misconceptions.

The fact is that the mass of the population has a greater stake in the greatest producers, and is more dependent upon them, than the producers have in the total economy. They supply the leadership which makes the difference between chaotic savagery and a productive organism.

The inequities in what men get out of life are insignificant when compared with the inequities in what men put into it. Humanity lives by the hard work of its men of talent but they do not live by humanity. We spend without thrift the gold of their genius. It is only through them that we are emancipated from the tyranny of nature. They are the creators of the past, the perservers of the present and the custodians of the future.

The most important relationship of a citizen to the State is that of taxpayer. The State cannot obtain a dollar for any man without first taking it from some other man. The latter must be the one who produced and saved it. This is what Voltaire had in mind when he said—"the art of government consists in taking as much money as possible from one class of citizens in order to give it to the other" who have not earned and do not deserve it but are the most numerous. This method is one of the bribes used by ubiquitous pink and red daffodils to obtain and retain office.

Our present tax absurdities, where the burden is shifted increasingly to the shoulders of legal entities called corporations, which are supposed to be soulless regardless of the fact that they are owned by human beings of the most ordinary kind, indicate only that dreamers who preach co-operation fail utterly to understand the true nature and functions of the most co-operative institutions yet devised, where the owners of accumulated labor—the surplus of past production over past consumption—pool their resources with current labor to provide an abundance of the things men need. These dreamers are masters of the art of explaining by the over-simplification of infinitely complex problems.

Corporate abuses are plentiful but they are not important when compared with political abuses. As a matter of fact, corporate corruption could hardly exist on a large scale except where political corruption is a condition antecedent. Politicians, however, have the advantage of being vocal with the ability to emphasize their virtuosity, in the expression of which they can never be accused of verbal parsimony. Corporations, unfortunately, are largely inarticulate—stutterers in a school where dunces with eloquence rate higher than doers with common sense; where bellowing blunderers are the teacher's pet — Phi Beta Kappas in inepitude.

Politicians in both labor and government, frequently cohorts in legal rackets, realize that there are two ways of sharing in the fruits of industry—helping to produce them or trying to regulate them. Sallustius, the Roman who retired on the spoils of office to write essays on virtue and morality, was unique only in that he retired. Most politicians can write.

The proponents of such taxation devices are not creative thinkers, as they label themselves, but rather didactic tabulators of spurious formulae which are oriented to political and sociological misconceptions rather than to economic realities. In the long run people must learn by sad experience that government by oratory is a poor substitute for government by brains; that wordy panegyrics cannot replace practical thinking; that verbiage cannot repeal economic laws; that there is no leadership in phrases and no virtue in windy patriotism.

Wise legislation has played an important part in the progress of mankind. The wisest legislation is based upon a knowledge of the fact that every individual must pay a price of some kind for being the sort of a person he is and that, even though conditioned by the culture and milieu in which they are born, men create their own destiny within the limits of their heredity, which is irrevocable.

It is true that poor environment tends to make bad men, but it is basically an effect and not a cause, for it is bad men who live in a poor environment. The triumph of man over his surroundings is the saga of civilization.

As the exchange of products increased, a new division of labor developed by the introduction of a class of men who devoted themselves to the business of exchange. These men we call merchants. Although they are not direct producers, through their efforts and capital a greater volume of production is possible. Their importance is better realized when an effort is made to visualize a system in which they do not exist, or a system in which docile people are forced to stand in queues in a government bureau to be waited on by truculent clerks who owe their position to influence and their promotion to servility to commissars. As the technique of merchants improves, even though the improvement results in some inferior people becoming employees instead of owners, all consumers benefit.

Investment Trusts

(Continued from page 2239)

mistakes will be made at times despite the exercise of best judgment."

* * *

"Economic Characteristics of America in the Post-War Period" is the subject of discussion in the most recent issue of "Investment Survey" by Ray Vance, Trustee of New England Fund and General Investors Trust. It is a timely and stimulating report.

* * *

Distributors Group has published a sales folder covering all 19 Groups of Group Securities in a form suitable for easy reference and convenient use. The folder is entitled "Investment Report," and is addressed by the Investment Research Department to the Board of Directors of Group Securities. A recent list of securities and a dividend and price record for each Group is given.

Distributors Group is also out with another of its attractive folders on individual Shares of Group Securities, this time the Investing Company Shares.

* * *

Union Bond Funds are now buying rail bonds again, according to an announcement in the "Union Dealer" of Dec. 10. It is pointed out that railroad bond prices have been weak over the past two months and that now is believed to be a favorable time to acquire selected bonds in this field.

* * *

American Business Shares' latest "News Letter" takes an optimistic note on post-war outlook for American industry. Henry J. Kaiser's recent address before the National Association of Manufacturers on this subject is quoted in part.

* * *

Lord, Abbett's "Background," December issue, discusses WPB's role in our changing war economy. The article is on the same scholarly, objective plane that readers have come to expect from this publication.

* * *

Calvin Bullock has published a brief description of Dividend Shares in the form of a folder which should be helpful to dealers and prospects alike. Salient points are presented simply and clearly in layman's language.

* * *

National Securities & Research Corp. has prepared a little booklet on its interesting new International Series. Contained therein is an outline of the investment philosophy behind the series and a brief "biography" of each issue in the portfolio.

* * *

"A Favorable Appraisal" is the title Hare's, Ltd., gives to its new folder on bank stocks.

"The months of November and December invariably see a great deal of bank stock selling for tax purposes. The result of this is to depress the market and thus create buying opportunities for alert investors. Market recovery usually occurs in the early weeks of the following year.

"At the current market level the 15 bank stocks, in which Bank Group Shares provides ownership, are selling at an average ratio of only 81% of book value, and at an average yield of 5.2%. During the last 30 years, they have sold at an average of around 150% of book value and at a substantially lower yield.

"To those who desire to invest in the stocks of New York City's great banks, Bank Group Shares furnishes, with convenience, a service under the daily supervision of experienced management."

Our Reporter's Report

(Continued from first page)

A Present for Uncle Sam

The national Treasury cannot but view the splendid performance of the New York Victory Fund Committee in its December war financing drive as anything less than a most welcome Christmas present.

Latest official figures disclose that the area covered by this investment, brokerage, banking group contributed almost half of the total subscriptions received for bonds and Treasury notes to date.

The nationwide total of subscriptions was set early this week at $10,229,000,000, of which the New York area accounted for almost half or $4,600,000,000.

And according to subsequent reports, unofficial of course, it is indicated that a last minute rush of buying has carried subscriptions for this area well above the $5,000,000,000 mark.

First on the 1943 List

It looks now as though the Public Service Company of New Hampshire will be the first corporate borrower of importance after the turn of the year.

The company is reported preparing to file with the Securities and Exchange Commission a registration statement to cover the proposed issuance of $22,000,000 of first mortgage 30-year bonds, carrying a 3¼% coupon.

The registration presumably will disclose also the intention of the company to sell privately an issue of $2,500,000 of unsecured serial notes direct to a group of institutions.

Proceeds will provide for the retirement of its debt now outstanding in the amount of $18,929,000, subject to call at 104, and for the acquisition of certain assets of the Twin States Gas & Electric Co.

Unless there is a change in plans as bankers now see the situation the company may be expected to call for bids for the new bonds to be opened around the end of January.

B. & O. Asks Bond Tenders

That the railroads are determined to avert any chance of encouraging speculation in their efforts to reduce funded indebtedness by purchase of their outstanding bonds gained further support this week.

Baltimore & Ohio Railroad announced invitation of tenders of 18 issues of its secured obligations with the explicit statement that the action was intended to give all holders equal opportunity to share in the temporary wartime earnings if they so desire.

Such tenders will be accepted up to the close of business on Jan. 16 and the road will decide on acceptances by Jan. 25.

Meanwhile the Louisville & Nashville has proposed to the Interstate Commerce Commission that it be permitted to purchase in the open market $2,500,000 of its first and refunding mortgage 3¾% Series E bonds, which would among other things satisfy the Sinking Fund provisions of the mortgage.

Small But Significant

That investors are willing to pay good prices for securities if the quality is what they seek was indicated by a small, but none-the-less significant secondary which went through early this week.

Smith, Barney & Co., offered a block of 1,900 shares of Procter & Gamble $5 preferred stock priced at $120 a share.

And according to dealers the offering was snapped up quickly by investors who found they had a spot for just that type of senior stock in their portfolios.

Revokes Registration

The Securities and Exchange Commission has revoked the broker-dealer registration of J. Morton Steiner, engaged in the investment business in New York City under the name of J. Morton Steiner Company with offices at 42 Broadway.

The Commission charged that Mr. Steiner, knowing there was a demand for preferred and common stock of Metropolitan Personal Loan Corporation induced certain holders of the stock to dispose of their holdings to him at prices substantially below the prevailing market, by means of misrepresentations. He was also accused of inducing those selling the Metropolitan stock to buy other securities "at excessive prices having no reasonable relation to the prevailing market."

No exception or objection to the report of the trial examiner has been filed.

Closes $11 Billion Victory Loan Drive— Largest Financing In History Successful

The Treasury's December Victory Fund Drive, the goal for which was originally set at $9,000,000,000 but was later raised to $11,000,000,000, closed yesterday (Dec. 23) for subscription to the three principal issues which had been on sale since No. 30, namely, Victory 2½% bonds due Dec. 15, 1968, callable Dec. 15, 1963; 1¾% bonds due June 15, 1948, and ⅞% certificates of indebtedness due Dec. 1, 1943.

The Victory Fund Drive was successful not only because of the amount involved but also because of heavy purchases of securities by others than commercial banks, Secretary Morgenthau said.

Up to the close of business Dec. 19, the funds borrowed from all sources, on the different issues, totaled $10,229,000,000. Of this total about $4,588,000,000, or 45% was to commercial banks, and about $5,641,000,000, or 55% was to non-banking investors.

In view of this "superb public response," Secretary Morgenthau announced on Dec. 20 that he was raising the borrowing goal to $11,000,000,000, from the original $9,000,000,000.

This was the largest financing operation ever undertaken by any government in world history. The Secretary pointed out that the largest previous flotation was the Fourth Liberty Loan, which raised $6,964,581,100 in three weeks in 1918. Together with tax and other receipts of about $2,500,000,000, the Treasury expects to receive about $13,500,000,000 in December.

On Dec. 12 Secretary Morgenthau said:

"The funds raised through the drive, together with funds to be raised through the sale after Jan. 1 of Treasury bills, savings bonds, certificates of indebtedness and tax savings notes may enable the Treasury to function until some time in March or April before another major financing compaign."

Funds borrowed to and including Dec. 19 from all sources, on the different issues, are:

Funds from banking sources:	
Treasury bills	$500,000,000
1¾% Treas. bonds	2,058,000,000
⅞% certificate	*2,030,000,000
Total	$4,588,000,000
Funds from non-banking sources:	
⅞% certificate	1,294,000,000
1¾% Treas. bonds	809,000,000
2½% victory bonds	2,528,000,000
Tax notes	480,000,000
Savings bonds (E, F and G)	530,000,000
Total	$5,641,000,000
Grand Total	$10,229,000,000

*Tentative.

Speaking of the success of the financing drive Secretary Morgenthau said:

"This is the sort of news that Axis leaders dread to hear and that they will not permit their misguided peoples to know. It is the sort of news that inspires our associates of the United Nations. It will reassure all soldiers who are fighting the good fight. The speedy borrowing of the tremendous sums is a reflection of our American determination to win the war and win it quickly."

Mr. Morgenthau also said that "the response by investors has been stimulated in large part by the eager participation in the drive of many thousands of volunteer workers drawn from the banking, securities, insurance and other fields. These workers have well earned the thanks of the nation."

The December campaign was opened by President Roosevelt when he bought the first $1,000 Victory 2½ from Secretary Morgenthau and declared that our dollars must be made 'fighting dollars' by investing them in Government securities."

The start of the drive was referred to in our issue of Dec. 3, page 1970.

Weigh Pay Revision For Customers' Aides

Changes in the present manner of paying customers' brokers of New York Stock Exchange firms, are under consideration, and it is expected that a revised plan will be worked out shortly between the Exchange and the Securities and Exchange Commission. The matter has been under discussion by the Exchange, the SEC, and the United States Treasury ever since the issuance of salary freezing orders by James J. Byrnes, Stabilization Director.

The present Rule 438, of the Board of Governors of the Exchange, requires that "No employee shall be paid other than a fixed salary not varying with the business, without the prior approval of the committee on member firms." However, there has been a gradual drift away from this rule for a number of years—it is an open secret in Wall Street that salaries are based on the amount of business produced.

The customers' brokers and their employers, who fear a loss of trained help should salaries be fixed at present levels, are anxious for a more equitable rule, since the freezing order was issued while business was poor, and the ordinary ebb and flow of income has been checked.

It is understood that the Exchange is in favor of a modification or rescission of Rule 436, but that permission has not yet been received from the SEC.

Attractive Situation In National Refining Co.

Prior Preference $6 cumulative stock of National Refining Company offers a particularly attractive situation, according to an analysis just issued by Gillis-Russell & Co., Union Commerce Building, Cleveland, Ohio, members of the Cleveland Stock Exchange. The book value of the stock is $262 per share, the analysis states; underlying cash and Governments alone equal $34; stock earned $9.39 net after taxes in 1941; a payment of four dollars on the prior preferred on Dec. 10 leaves an arrearage of $27.50; would receive 105 plus arrears in liquidation; dividends are now being paid.

Copies of the analysis of National Refining, one of the oldest companies in the petroleum industry, giving full and interesting details, including a condensed balance sheet, may be had from Gillis, Russell & Co. upon request.

Fuel Board Junks Complicated Rule

At least one fuel rationing board in the metropolitan area of New York City has taken the bull by the horns and decided to let its common sense prevail over what the board members regard as regulations that only an astronomer could interpret, stated the New York "Sun" of Dec. 18, further adding:

The board has jurisdiction in the Great Neck-Manhasset area in Long Island, N. Y., and a spokesman said today that the board has no idea what will be the repercussions from the drastic step which was taken after a long and argumentive session that did not break up until 3 o'clock last Tuesday morning. The board, it seems, passed a resolution which called for throwing out the window the regulations issued from Washington for alloting fuel oil.

"The charts and specifications prepared in Washington must have been set up by astronomers or crystal ball gazers," the board's spokesman said. "Certainly only an astronomer could understand them and even when understood, what have you got? Nothing, except a mess of senseless figures that work unfair hardship on a great many people."

The speaker said that so far as he was concerned he would apply common sense in issuing coupons for fuel oil, especially for homes where there are little babies and sick persons.

"In such instances, it's a case of to hell with the regulations," he asserted.

Firm to Be Known as The Crummer Company

CHICAGO, ILL.—As of Jan. 1, 1943, the name of R. E. Crummer & Company, Incorporated, will be changed to The Crummer Company, Inc. The main office of the organization will be changed from Chicago to the First National Bank Building, Orlando, Fla. The firm will continue to maintain an office in Chicago, in the First National Bank Building, which will be under the management of W. J. Noel.

Officers of The Crummer Company will be W. J. Meredith, president; Carl A. Morawitz, Roy F. Preston and Murray T. Crummer, vice-presidents; Myers Gross, secretary-treasurer; Vernon T. McCombs, Ted H. Kiefer, Dean J. Osburn, and William J. Noel, assistant secretaries, and Charles J. Reichert, assistant treasurer.

Branch offices will be maintained in Chicago; in Kansas City, Mo., at 21 West 10th Street, under the direction of Lloyd M. Muir; in Omaha, Neb., Insurance Building, under the management of Murray T. Crummer, and in Wichita, Kan., Schweiter Building, where Messrs. Morawitz, Preston, McCombs and Kiefer will be resident officers.

The Crummer Company will continue the affiliation with Crummer & Company, Inc., of Texas, at Dallas.

Chas. Ebner, Jr., With Hare's Ltd. In L. A.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Charles L. Ebner, Jr., has become associated with Hare's, Ltd., 210 West Seventh Street. Mr. Ebner was previously manager of the trading department of the Los Angeles office of Protected Investors of America, and prior thereto served in a similar capacity with Morrison Bond Co., Ltd.

Alldredge Heads ICC

J. Haden Alldredge, of Alabama, is the new Chairman of the Interstate Commerce Commission for the year 1943, succeeding Clyde B. Aitchison, of Oregon. The ICC Chairmanship is rotated annually, but Commissioner John L. Rogers, who was in line for election, was unable to accept the additional duties in view of the fact that he is also serving as Director of the Division of Motor Transport in the Office of Defense Transportation. Mr. Aitchison, who was appointed to the ICC 25 years ago by President Wilson and was recently renamed to another seven-year term by President Roosevelt, had been serving as Chairman of the Commission since June, but for the first half of the year was Acting Chairman. He replaced Joseph B. Eastman who went on leave of absence to head the ODT.

Claude R. Porter, of Iowa, whose term expires at the end of this year, has also been renamed to a seven-year term by President Roosevelt.

Court Holds McCann Cannot Be Released From Prison on Plea of Error in Waiving Trial

In a 5 to 3 decision, the United States Supreme Court held on Dec. 21 that Gene McCann, the former New York broker, cannot be released from prison on his plea that he was wrong in waiving a jury trial and acting as his own lawyer when convicted of mail frauds in a trial court. The New York "Times" in Washington advices Dec. 21 in indcating the conclusions of the Court stated:

"The ruling, announced by Justice Frankfurter, upset the action of the New York Circuit Court of Appeals sustaining a writ of habeas corpus and directing the release of McCann from custody.

"In the Circuit Court, Judges Learned Hand and Thomas W. Swann had held that in a felony trial the accused, 'at least when not himself a lawyer, may not consent to be tried by a judge' except upon the advice of an attorney.

"Contradicting this view, Mr. Frankfurter said McCann had a perfect right to waive a jury trial and added that 'the Constitution does not force a lawyer upon a defendant.'

"Justice Douglas wrote a dissent, shared by Judges Black and Murphy, the last of whom presented further views of his own."

The "Times" account went on to say:

"The case began on July 7, 1941, when McCann, who had been a financial operator, told Judge Merrill E. Otis in Federal court that he wished to waive trial by jury, wanted to plead his own case, and did not desire to consult a lawyer. The trial went on for two and a half weeks, at the end of which Judge Otis sentenced McCann to serve six years and pay a $600 fine.

"Speaking for the majority, Justice Frankfurter said:

"The short of the matter is that an accused, in the exercise of free and intelligent choice, and with the considered approval of the court, may waive trial by jury and so likewise may he competently and intelligently waive his constitutional right to assistance of counsel. There is nothing in the Constitution to prevent an accused from choosing to have his fate tried before a judge without a jury.

"It is neither obnoxious to humane standards for the administration of justice as these have been written into the Constitution, nor violative of the rights of any accused of a crime who is capable of weighing his own best interest, to permit him to conduct his own defense in a trial before a judge without a jury, subject as such trial is to public scrutiny and amenable as it is to the corrective oversight of an appellate tribunal and ultimately to the Supreme Court of the nation.

"Among the dissenters, Mr. Douglas said he did not think that in the absence of legal advice 'a waiver by a layman of his constitutional rights to a jury trial was intelligent and competent in such a case as this.' For himself alone, Justice Murphy said that should there be such waivers of a jury trial this should come about only under standards to assure that the accused knew what he was doing.

"Government prosecutors assumed that McCann would now try to perfect the appeal he first began from his conviction in the trial court. This was temporarily shelved when the habeas corpus writ proceedings were started."

Reference to the ruling of the U. S. Circuit Court of Appeals in New York was made in our issue of April 2, page 1322.

Nelson Gilbert Asst. Regional V Fund Mgr.

LANSING, MICH.—Nelson R. Gilbert has been granted a leave of absence by his firm, Donovan, Gilbert and Company, American State Savings Bank Building, and is now associated with the United States Treasury Victory Fund Committee as Assistant Regional Manager in Michigan.

ABA Issues Manual On Loan And Investment Laws

A manual of the laws dealing with loans and investments by national banks, has been prepared by the National Bank Division of the American Bankers Association, and is now being sent to all national banks that are members of the A.B.A. The manual, it is announced, contains the full text of the important statutes and their amendments which govern loans and investments by national banks, together with explanatory comments regarding the laws. Included are various regulations issued by the Comptroller of the Currency and the Board of Governors of the Federal Reserve System, and decisions, official rulings, and interpretations of some of the more important laws and regulations. The announcement adds:

"Significant among the contents of the book are the laws and regulations dealing with the various types of loans, and loan guaranties, made in connection with war production lending, with summaries of some of the most frequently used loan forms.

"The material contained in the manual has been divided into five major categories as follows: Loans, investments, acceptances, agency transactions and regulatory enforcements of statutory provisions."

Additional copies of the manual may be obtained from A.B.A. headquarters in New York.

F. Garceau Now With Baker, Weeks, Harden

(Special to The Financial Chronicle)

DETROIT, MICH.—Frank Joseph Garceau has become associated with Baker, Weeks & Harden, Penobscot Building. Mr. Garceau was formerly with Keane & Co. and S. R. Livingstone & Co., and was manager of the trading department of the Detroit office of Schouten, White & Co.

North Africa Minister

Robert D. Murphy, former American diplomat at Vichy, and now President Roosevelt's personal representative in North Africa, has been raised to the rank of Minister, it was announced on Dec. 20 at Allied headquarters in North Africa, by Lieut.-Gen. Dwight D. Eisenhower, Allied Commander-in-Chief. Mr. Murphy, who has received the Distinguished Service Medal for his liaison work in North Africa, will continue, according to Associated Press advices, to serve on General Eisenhower's staff as civil affairs officer "until such time as consultation with the War Department suggests a change," General Eisenhower said.

Kenneth Hill In Hingham

(Special to The Financial Chronicle)

HINGMAN, MASS.—Kenneth B. Hill is engaging in a general securities business from offices at 692 Main Street. Mr. Hill was formerly a partner in Alcock, Hill & Co., of Boston, and prior thereto was with Southgate & Co. and Dillon, Read & Co., and was sales manager for Lyons & Co.

Calendar of New Security Flotations

OFFERINGS

SUPERIOR OIL CO. OF CALIFORNIA

Superior Oil Co. of California has filed a registration statement with SEC for 35,000 shares of capital stock, par value $25 per share. All of the stock is issued and outstanding and is being offered by W. M. Keck, W. M. Keck, Jr., and Howard B. Keck who have informed the company that the amount of stock to be offered and offering price have not been determined, and that the figures have been furnished to the company solely for the purpose of calculation of the registration fee.

Address—930 Edison Building, Los Angeles, Cal.

Business — The company is engaged principally in the acquisition of prospective oil lands; the exploitation and development of such lands; and the production and sale of crude oil and natural gas.

Underwriting—Dillon, Read & Co., New York, is the principal underwriter. A selling group consisting of certain dealers may be formed in connection with the offering of the capital stock registered.

Offering—As soon as practicable after registration statement becomes effective. The number of shares of stock to be purchased by the underwriter from each of the three sellers, the price to be paid and the offering price to the public will be supplied by amendment.

Proceeds—None of the proceeds from the sale will go to the company, but to the selling stockholders, all of whom are officials of the company. W. M. Keck is President, W. M. Keck, Jr., and Howard B. Keck both Vice-Presidents. All three also are Directors.

Registration Statement No. 2-5068. Form A-2. (12-5-42)

Company on Dec. 15 filed an amendment to its registration statement in which it placed the number of shares of stock to be offered to the public at 27,000 in place of the 35,000 shares covered in original statement filed Dec. 5, 1942. Shares are outstanding and owned as follows: W. M. Keck, 21,000; W. M. Keck, Jr., 3,000, and Howard B. Keck, 3,000. The sellers are officials of the company, the first being President and the other two being Vice-Presidents.

Registration effective 4:15 p.m. (EWT) on Dec. 16, 1942.

Offered Dec. 16, 1942, by Dillon, Read & Co. at $48.50 per share.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statcments will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

SUNDAY, DEC. 27

HURON BUILDING COMPANY

Barnet L. Rosset, John F. Rhodes and Charles J. Young, as trustees under a voting trust agreement dated Dec. 27, 1932, have filed a registration statement with SEC covering voting trust certificates in connection with a maximum of 2,851 shares of the common capital stock of the Huron Building Company.

Address—Suite 315, 11 South La Salle St., Chicago.

Business—Office building.

Offering—Certificates are already outstanding in the hands of registered owner and it is only proposed that date of termination of trust agreement will be extended for five years from Dec. 27, 1942, without exchange of new securities.

Underwriting—No underwriter.

Proceeds — Extension of voting trust agreement.

Registration Statement No. 2-5069. Form F-1. (12-8-42)

MONDAY, DEC. 28

STEEP ROCK IRON MINES LIMITED

Steep Rock Iron Mines Limited has filed a registration statement with SEC covering $2,250,000 5½% sinking fund debentures, due Dec. 1, 1957.

Address—25 King St., West, Toronto, Ontario, Canada.

Business—Mining. Company owns property comprising approximately 7,000 acres in the Steep Rock Lake area, near Atikokan, Ontario, Canada, containing large bodies of high-grade iron ore. The property includes all of Steep Rock Lake, under which the known ore bodies lie.

Underwriter—Otis & Co., Cleveland, O., is principal underwriter. In the underwriting agreement Otis & Co. agreed to purchase and the company has agreed to sell the $2,250,000 face amount of debentures covered by the registration statement and 562,500 shares of the company's capital stock. The rate to be paid by the underwriter for each $1,000 face amount of debentures and shares of stock will be supplied by amendment. The capital stock is to be deposited under a voting trust agreement.

Offering—Price to the public per unit consisting of $1,000 face amount of debentures and a number of voting trust certificates for capital stock to be offered with debentures will be furnished by amendment.

Proceeds—For plant, equipment, drilling, development and working capital.

Registration Statement No. 2-5070. Form A-1. (12-9-42)

STEEP ROCK IRON MINES LIMITED

Donald M. Hogarth, Julian G. Gross and Russell D. Bradshaw, voting trustees, have filed a registration statement with SEC for voting trust certificates for 562,500 shares of capital stock without nominal or par value of Steep Rock Iron Mines Limited.

Address—3100 Canadian Bank of Commerce Building, Toronto, Ontario, Canada. Address of corporation, 25 King St., West, Toronto.

Offering—See registration statement of Steep Rock Iron Mines Limited No. 2-5070.

Proceeds—To deposit shares in a voting trust.

Registration Statement No. 2-5071. Form F-1. (12-9-42)

WEDNESDAY, DEC. 30

BEDFORD PULP & PAPER CO., INC.

Bedford Pulp & Paper Co., Inc., has filed a registration statement with the SEC for $700,000 face amount of first closed mortgage 5% sinking fund bonds. The bonds will be dated Dec. 1, 1942, and mature Dec. 1, 1949.

Address—Big Island, Va.

Business—Company is engaged in the manufacture, distribution and sale of Nine Point paperboard. This is a paper material which is used to form the inner corrugated part of corrugated paperboard employed in making containers for packing and shipping merchandise. Plant is located at Big Island, Va., where company also owns water rights and hydraulic works on the James River. A wholly-owned subsidiary, Bedford Timber & Land Corp., owns and leases timber lands from which the company derives a part of its supply of pulpwood.

Underwriting—Coffin & Burr, Inc., Boston, $550,000, and Whiting, Weeks & Stubbs, Inc., Boston, $150,000.

Offering—It is proposed to offer the bonds to the public at 99¾.

Proceeds—The net proceeds to be received by the company from the sale of the first closed mortgage 5% bonds is estimated at $658,910 and they will be used, together with $289,000 of 5% debenture notes which are to be issued concurrently with these bonds, to retire $225,000 face amount of Series A mortgage bonds 4% and $714,000 Series C mortgage bonds 5%, total $939,000. The remainder of the cash proceeds from the sale of the bonds will be added to the working capital of the company.

Registration Statement No. 2-5072. Form A-2. (12-11-42).

Registration effective 1 p.m. (EWT) on Dec. 19, 1942.

MONTROSE HOTEL, INC.

Barnet L. Rosset, Charles J. Young and Abraham Greenspahn, as trustees under a trust agreement dated July 1, 1932, have filed a registration statement with SEC for voting trust certificates representing a maximum of 2,697 shares of the common capital stock of Montrose Hotel, Inc., each having a par value of $50 and deposited under the voting trust agreement.

Address—Of issuer, Suite 315-11 South La Salle St., Chicago. Location of hotel, Fortieth and Main Sts., Kansas City, Mo.

Business—Hotel.

Underwriting—No underwriters.

Offering—Date of proposed offering or delivery of voting trust certificates Dec. 31, 1942. Certificates are already outstanding in the hands of registered holders and it is only proposed to extend trust agreement for five years from June 30, 1942, with privilege of interim withdrawal of certain conditions.

Proceeds—To extend voting trust agreement.

Registration Statement No. 2-5073. Form F-1. (12-11-42)

FRIDAY, JAN. 8

SHERIDAN BELMONT HOTEL CO.

G. W. Rosseter and others as trustees under a voting trust have filed a registration statement with the SEC for voting trust certificates for 6,813 shares of common stock, no par value of Sheridan-Belmont Hotel Co.

Address—Address of trustees, Securities Service Corp., 310 South Michigan Ave., Chicago. Address of hotel, southwest corner of Sheridan Road and Belmont Ave., Chicago.

Business—Owns and operates an apartment hotel building.

Underwriting—No underwriting.

Offering—Registration of 6,813 certificates is on the assumption that all of the present holders of participating certificates will agree to the extension of the present trust agreement. If less than all of the holders of participating certificates consent, the trust agreement will apply only to those who do consent.

Purpose—For extension of voting trust agreement. The securities are presently subject to a trust agreement which expires April 1, 1943. It is proposed to extend the agreement to April 1, 1953.

Registration Statement No. 2-5074. Form F-1 (12-19-42).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMPAL-AMERICAN PALESTINE TRADING CORP.

Ampal-American Palestine Trading Corp. has filed a registration statement with the SEC for 182,000 shares 4% preferred, cumulative non-voting stock, par value $5 per share

Address—1440 Broadway, New York City

Business—The corporation was organized for the purpose of developing trade relations between the United States and Palestine and its surrounding territories; to assist in the development of the economic resources of Palestine and to afford financial aid to commercial, banking, credit, industrial and agricultural enterprises, cooperative and otherwise, in and relating to Palestine. Company was organized Feb. 6, 1942, in New York.

Underwriting—There are no underwriters. The securities will be sold through the efforts of the directors and employees of the issuer

Offering—The offering price to the public will be $5.50 per share, for a total of $1,001,000. Date of proposed public offering is Dec. 1, 1942

Proceeds—A number of schemes for investment by the corporation of the proceeds of this issue have been considered by its directors. No final decisions have been reached, and no commitments have been made, except that, in a general way, and subject to re-examination, the directors believe that the corporation could with profit to itself and with substantial benefit to the economic organization of Palestine, make investments for the purposes indicated in its organization

Registration Statement No. 2-5061. Form A-1. (11-19-42)

Amendment filed Dec. 7, 1942, to defer effective date.

P. L. ANDREWS CORP.

P. L. Andrews Corp. has filed a registration statement with the SEC for $360,000 first mortgage convertible 5½% bonds, series A, maturing serially from 1943 to 1957.

Address—7800 Cooper Ave., Glendale. New York, N. Y.

Business—General character of the business done by the corporation is the design, development, manufacture and sale of paper packaging and wrapping materials in a variety of forms of envelopes, folders, wrappers, folding boxes and containers. Primarily because of the nature of the plant and products of the corporation, it is anticipated that the war or conditions arising therefrom will not alter substantially the general character of the business or products of the corporation

Underwriting—No firm commitment has been made to take any of the securities registered, but P. W. Brooks & Co., Inc., New York City, is the principal underwriter, as defined in the Securities Act of 1933

Offering—The securities will be offered at prices ranging from 99½ to 102¼ depending upon maturity date

Proceeds—Net proceeds will be used to discharge a proposed demand bank loan, to reimburse the corporation for machinery acquired and balance for such additional production facilities as are needed.

Registration Statement No. 2-5058. Form A-2 (10-28-42)

Request for withdrawal of specified material filed Nov. 18, 1942

Amendment filed Dec. 18, 1942, to defer effective date

CURTISS CANDY CO.

Curtiss Candy Co. has filed registration statement with the SEC covering 30,000 shares of participating preferred stock, par value $100

Address—622 Diversey Parkway, Chicago

Business—Company is one of the largest and leading candy and confection manufacturers in the United States

Offering—Registrant proposes to offer the participating preferred shares registered, at $100 per share. The entire amount of the consideration received shall be credited to capital account. It is not proposed to pay any commissions or underwriting fees with respect to the sale of the stock. Approximate date of proposed public offering Nov. 25, 1942

Underwriting—There is no commitment of any kind with respect to the sale or underwriting of the securities registered

Proceeds—Will be used principally in the acquisition of similar types of business $700,000; additional farm lands $750,000; trucks $100,000; raw commodities for purpose of stabilizing inventory $250,000; to provide funds for payments under pension and profit-sharing plans for its employees $900,000; in reduction of indebtedness on farm properties $200,000, and for additional working capital $75,700

Registration Statement No. 2-5059. Form A-2. (11-14-42)

Hearing on suspension of registration set for Dec. 15, 1942, as SEC states it has reasonable cause to believe that statement includes "untrue statements of material facts"

FIREMAN'S FUND INSURANCE CO.

Fireman's Fund Insurance Co. has filed registration statement with SEC for 64,086 shares of $10 par value common stock

Address—San Francisco, Calif.

Business—Fire, motor and marine insurance, etc.

Offering—After reclassification of securities to offer 33,738 shares of Fireman's $10 par common and scrip for fractional shares in exchange for 44,984 shares of $10 par common of Home Fire & Marine Insurance Co. of California on basis of 75/100ths share of Fireman's Fund for one share of Home; and 30,348 shares of Fireman's in exchange for 67,440 shares of $10 par com- of 45/100ths share of Fireman's Fund for mon of Occidental Insurance Co. on basis one share of Occidental

Underwriting—There are no underwriters

Proceeds—To be issued under plan of exchange

Statement filed in San Francisco

Registration Statement No. 2-5051. Form A-2. (10-15-42)

Registration statement effective 4:30 p.m. (EWT) on Dec. 1, 1942.

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956 and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed Dec. 17, 1942, to defer effective date

GRAND FORKS HERALD, INCORPORATED

Grand Forks Herald, Incorporated, has filed a registration statement with the SEC for $170,000 4½% first mortgage serial maturity bonds, dated Sept. 1, 1942 Bonds will mature as follows: $12,000 on each Sept. 1 from Sept. 1, 1943 to and including Sept. 1, 1951; $62,000 on Sept 1, 1952

Address — 118 North Fourth Street Grand Forks, N. D.

Business—Newspaper publication

Offering—Bonds are to be offered at prices ranging from 100.50 and interest to 104.08 and interest

Underwriting—Kalman & Co., Inc., St Paul, is the sole underwriter

Proceeds—The net proceeds, together with other funds of the corporation, are to be used to retire as of Jan. 1, 1943, the corporation's 6½% 15-year sinking fund debenture bonds due Sept. 1, 1944

Registration Statement No. 2-5049. Form A-2. (10-12-42)

Registration effective 5.30 p. m. ESWT on Nov. 9, 1942

INTERIM FINANCE CORP.

Interim Finance Corp. filed **a registration** statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Amendment filed, July 30, 1942 to defer effective date

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Amendment filed Nov. 9, 1942, to defer effective date

NATIONAL RESERVE ASSOCIATION, INC.

National Reserve Association, Inc., has filed a registration statement with SEC for 350,000 shares of common stock, par value $1 per share.

Address — Michigan Trust Building, Grand Rapids, Mich.

Business—New investment company, incorporated Nov. 11, 1942.

Offering—Sold prior to registration to officers 1,000 shares at $1 per share. To be publicly offered at $1 per share 349,000 shares.

Underwriting—No underwriter named.

Proceeds — To provide capital requirements of face amount certificate of company and for working capital.

Registration Statement No. 2-5067. Form A-1. (12-3-42)

NEIMAN-MARCUS CO.

Neiman-Marcus Co., Dallas, Texas, has filed an amended prospectus with the SEC in connection with the public offering of $700,000 5% cumulative preferred stock, par value $100 per share. According to amended prospectus the public offering price has been reduced from $100 to $92.50 per share, effective Nov. 15, 1942. Statement says that principal underwriters will grant concessions to dealers constituting the selling group of $6 per share. The principal underwriters have also discontinued stabilizing the price of such shares

The registration statement was originally filed Nov. 19, 1942, No. 2-4581, Form A-2. Offering price to public at that time was given as $100.50, with underwriting discounts or commissions of $5.50 per share. Amended prospectus dated May 1, 1942, stated that 1,566 shares of the 7,000 shares covered remained unsold in the hands of the principal underwriters and selling group and price to public was lowered to $100 per share. Amended prospectus does not indicate number of shares still remaining in hands of selling group

Principal underwriters were Moss, Moore & Cecil, Inc., and Dallas Rupe & Son, Dallas, Texas

Company owns and operates retail specialty shop located in Dallas, Texas

NU-ENAMEL CORPORATION

Nu-Enamel Corporation filed a registration statement with the SEC for 106,500 shares of common stock, $1 par value

Address—8 South Michigan Ave., Chicago

Business—The company is engaged in the distribution and sale of enamels, paints, varnishes, linoleum finish, stains, polish and kindred lines, which are principally distributed under the trade name "Nu-Enamel." The products sold by the company are manufactured by Armstrong Paint & Varnish Works, of Chicago, under contract in accordance with the company's formulae and specifications

Underwriting—Floyd D. Cerf Co. is the principal underwriter.

Offering—The principal underwriter is granted the option, until close of business Dec. 31, 1942, to purchase at $1.50 per share all or any part of 72,500 shares of common stock of the company from C. L. Lloyd and all or any part of 34,000 shares from Gladys Lloyd. There is no firm commitment to purchase any of said shares. The principal underwriter has agreed to pay a finder's fee to American Industries Corp., Detroit, Mich., in the amount of 5 cents for each share of common stock purchased by the principal underwriter from the selling stockholders. Offering price to the public will be supplied by amendment

Proceeds—The shares to be offered are already issued and proceeds will go to the individual sellers of the shares

Registration Statement No. 2-5029. Form A-2. (8-1-42)

Nu-Enamel Corporation on Aug. 26 filed an amendment to its registration statement giving the public offering price at $2 per share

Registration effective 5:30 p.m. EWT on Sept. 14, 1942

PHILLIPS PETROLEUM CO.

Phillips Petroleum Co. has filed a registration statement with the SEC for 43,928 shares of common stock, without par value.

Address—80 Broadway, New York

Business—The company and its subsidiaries compromise an integrated unit in the petroleum industry, owning reserves of crude production in a number of fields in the Mid-Continent and Gulf Coast areas, natural gasoline plants and crude oil refineries, oil pipe lines, gasoline pipe lines and marketing outlets throughout Central United States and extending into adjacent areas

Underwriting—There are no underwriters in connection with this issue

Offering—Executive committee on Nov. 24, 1942, approved an issue of 43,928 shares of its common capital stock, without par value, for issuance if the company exercises an option received under date of Nov. 12, 1942, to acquire capital stock of Alma Oil Co. The latter, a Delaware corporation, has issued and outstanding 25,000 shares of common stock, par $100 per share. In consideration of $1,000 cash, the owners of 21,500 shares of stock granted to Phillips and Sunray Oil Co., an Oklahoma corporation (in the proportion of 79% to Phillips and 21% to Sunray), the option to purchase the 21,500 shares and such additional shares of the remaining 3,500 shares as said stockholders shall be able to deliver. In the event that Phillips and Sunray shall exercise such option, the consideration to be paid will be 43,928 shares of Phillips common stock, and the sum of $615,024, provided, that if the said stockholders shall be unable to deliver all of the shares of said common stock of Alma, the cash payment shall be reduced $98.40 for each share not so delivered. Stating the basis of exchange in terms of the consideration to be paid only by Phillips, the company will receive in exchange for the 43,928 shares of its common stock 18,749 and a fraction of common stock of Alma, which will be recorded on the company's books at $1,844,976

Proceeds—For exchange of stock

Registration Statement No. 2-5064. Form A-2 (11-30-42)

Registration effective 4 p.m. (EWT) on Dec. 17, 1942.

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of **Feb. 26, 1942, page 846**

Amendment filed Dec. 5, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, **Heat and Power Co. registered 25,000 shares $100 par common** stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to **25/94ths of one common** share in units **of 5/94ths of a share** for each 5/94ths **of a share held at $5.32** for each unit. **On a share basis, stockholders** may **subscribe to 5 new shares** for each share **held at $100.016 per share. Substantially all outstanding stock is held** by Columbia **Gas & Electric** Corp.

Proceeds—To repay current **debt and $2,835,000** first **mortgage bonds held by** parent and **associated companies, and for** construction costs

Registration Statement No. 2-4379. Form A-2 (3-30-40)

Amendment filed Dec. 2, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. **registered $75,000,000** first mortgage and collateral trust **3¼%** bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names **will** be supplied by amendment, at 99.34%

Proceeds—To redeem **$28,850,000** United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., **$6,000,000** of its 1st & Coll. **4%** bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of **$9,502,490** on companys **$7** preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on **Feb. 21, 1942, stating that it had** been unable to **further extend the purchase agreements with 14 insurance com**panies covering the proposed private sale to such insurance companies of **$75,000,000** of the **company's first mortgage and col**lateral trust **3¼% bonds, due 1959. This amendment** states: **"These purchase agreements** expired on **Feb. 16, 1942. The cor**poration intends **to continue negotiations to** the end **that its bonds shall be either** sold privately, **by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."**

Amendment filed Dec. 12, 1942, to defer **effective** date

Cotton Consumption In November

Under date of Dec. 15, 1942, the Census Bureau at Washington issued its report showing cotton consumed in the United States, cotton on hand, and active cotton spindles for the month of November.

In the month of November, 1942, cotton consumed amounted to 913,038 bales of lint and 113,728 bales of linters, as compared with 972,490 bales of lint and 116,976 bales of linters in October, 1942, and 849,143 bales of lint and 116,976 bales of linters in November, 1941.

For the four months ending with November 30, cotton consumption was 3,776,766 bales of lint and 466,662 bales of linters, against 3,554,806 bales of lint and 510,281 bales of linters in the same four months a year ago.

There were 2,440,684 bales of lint and 470,330 bales of linters on hand in consuming establishments on Nov. 30, 1942, which compares with 2,248,280 bales of lint and 495,371 bales of linters on Nov. 30, 1941.

13,637,120 bales of lint and 79,371 bales of linters were on hand in public storage and at compresses on Nov. 30, 1942, and 13,959,627 bales of lint and 95,936 bales of linters on Nov. 30, 1941.

There were 22,948,248 cotton spindles active during November, 1942, which compares with 23,079,000 active cotton spindles during November, 1941.

Fish Quits Foreign Affairs Committee

Representative Hamilton Fish (Rep., N. Y.) resigned on Dec. 14 as a member of the House Committee on Foreign Affairs in order to devote his full time in the new Congress as a member of the House Rules Committee, "to the restoration of representative and constitutional government in the United States."

Saying he regretted leaving the Foreign Affairs Committee, of which he was ranking minority member, having served for the past 22 years, Representative Fish said he believed that there was "nothing more important for the new Congress to do than to reassert its own authority, legislative prerogatives, and power to stop the march to dictatorship and totalitarianism in our country while our sons are fighting for the four freedoms throughout the world."

Mr. Fish also said the American people "are exasperated at having their daily lives regimented by Executive orders and regulations emanating from bureaucrats and governmental agencies without authority of law and often in defiance of Congress and the Constitution."

Mortgage Clinic To Be Held in New York

A nation-wide series of "Mortgage Clinics," sponsored by the Mortgage Bankers Association of America, will open in New York at the Waldorf-Astoria, Jan. 14 and 15, with a two-day review of current mortgage problems created by the war, Charles A. Mullenix, Association President, announced. This will be followed by a second in Chicago in February with others over the country to be announced soon. John H. Thompson, President of the New Jersey Realty Co., Newark, will act as moderator and conduct the clinic sessions. He will be assisted at the New York clinic in organizing the meeting by W. A. Curtin, of Hartford, MBA Regional Vice President for the Eastern States.

Cooperating with the Association will be the Northern New Jersey Mortgage Bankers Association headed by George B. Underwood, Irvington, N. J.; Philadelphia Mortgage Bankers Association headed by Elmer S. Carll; the Pittsburgh Mortgage Bankers Association headed by John H. Scott; and the Baltimore Mortgage Bankers Association, headed by George H. Schmidt.

Decentralization of meetings is planned to help cut rail travel, Mr. Mullenix said. Subjects at the New York conference will be almost wholly related to wartime activities and include changing appraisal trends, how to encourage stepped up mortgage payments in line with the President's desire, effects of rent control and constructive measures designed to improve it. Rent control will be a principal subject, Mr. Mullenix said, because "administration of this measure has been far from satisfactory."

Reserve Board Authorizes Use of Fed. Reserve Notes

"As a part of the program of the Government to conserve both labor and materials during the war period," said the Board of Governors of the Federal Reserve System on Dec. 12, "after consultation with the Treasury Department, has authorized the Federal Reserve Banks to utilize at this time the existing stock of currency printed in the early Thirties known as 'Federal Reserve Bank notes'." The announcement of the Reserve Governors further stated: "The stock of these notes which is in $5, $10, $20, $50 and $100 denominations, amounts to approximately $660,000,000. By making available for use, as needed, this stock of unissued paper currency, which is identical with Federal Reserve Bank notes now in circulation, it is estimated that more than $300,000 will be saved in the cost of printing new currency. In terms of labor and materials, there would be a saving of 225,000 man hours in printing alone, and of 45 tons of paper in addition to a substantial saving of nylon and ink."

Gilbert Montague Says Business Is Not Rewarded For Unparalleled War Effort

Gilbert H. Montague, New York lawyer, charged on Dec. 15, that business, especially big business, "is today being pushed around and sniped at by the government, with complete disregard of its unparalleled war effort."

Addressing a luncheon meeting of the Rotary Club at St. George, Staten Island, N. Y., Mr. Montague declared that "American business has achieved a stupendous transformation" in the past two years, but he asserted that, while "other elements of the national economy have been richly rewarded for their war effort," no such rewards have accrued to business. He cited the increases since 1929 in the gross national production; he likewise pointed to the increases in farm gross income and manufacturing employees' hourly earnings as examples of business' extraordinary achievement. Mr. Montague further declared:

"Renegotiation of war contracts is recapturing for the government everything over a minimum profit on all war business. Mountainous taxation is taking for the government all but a moderate percentage of total corporate profits. Steep individual tax rates are taking for the government all but a moderate percentage of total individual incomes.

"For business executives, especially in big business, there are these steep individual tax rates applicable to all incomes, whether from earnings or investment, and in addition there is a new, special punitive treatment, applicable to earnings of business executives and employees. By Executive Order and Administrative Regulations, the government is now doing what Congress expressly declined to do, and is limiting all salaries of all business executives and employees to $25,000 net after taxes.

"For two years business executives have borne the chief burden of converting business to a war production basis. For their reward they have been derided as economic royalists, their patriotism has been aspersed, and they have been pilloried before Congressional committees because of agreements highly beneficial to the United States when made years ago with foreign nationals then at peace with us. Beset by labor demands backed by government sympathy and the War Labor Board, and overrun by anti-trust investigators from the Attorney General's office, they have had to steer their course through bewildering regulations of the Office of Price Administration, the Board of Economic Warfare and innumerable other boards, commissions, and government agencies. In spite of all these difficulties, business executives have turned in a performance of extraordinary magnitude and brilliancy. And now they are singled out as the one group whose families must suffer immediate and painful reductions in living standards, while full war effort is purchased from farmers and manufacturing employees by raising their family living standards to unprecedented heights.

"This is disheartening, but business executives will take it, as they always have, without flinching. They will be too loyal to the all-out war effort to have any part in pressure groups, class jealousies and political rancor. They will cherish the faith that this moment will pass, as such moments in our history always have passed. They will practice self restraint, patience, forbearance and justice, in the confidence that these are the virtues that have made America great, and to these virtues America will return.

President Says Planned 7,500,000 Army Not Big

President Roosevelt took issue on Dec. 15 with recent statements that a 7,500,000-man army would interfere seriously with American domestic economy or that the armed forces would have to be seriously reduced if they were to be properly equipped.

Regarding Mr. Roosevelt's remarks, Washington advices of Dec. 15 to the New York "Herald Tribune," said:

The question was asked at the President's press conference: "Are there any strategic developments in the war that might lead to a reconsideration of the size of the army because it is too big to equip?"

The President replied that he had seen a statement by a distinguished Frenchman who suggested that France had fallen because she had too large an army. That was a very amazing statement of the cause of the fall of France, the President remarked.

He added that it was an equally amazing statement for any one on Capitol Hill to apply to this country, to suggest that if you raised, trained and equipped a large enough army from the military point of view it might discombobulate domestic economy. He added that he thought that people would not put much stock in that in the midst of a very serious war.

The President's reference was to statements made by Pierre Cot, former French Air Minister, in recent testimony before a Senate committee. M. Cot had blamed the fall of France in part on the fact that the French Army had been so big that there had not been enough civilian workers left to equip it adequately.

Reference to plans for an Army of 7,500,000 was made in these columns Nov. 19, page 1805.

Urges Banks To Turn In Excess Nickels & Pennies

Allan Sproul, President of the Federal Reserve Bank of New York, on Dec. 4 sent the following communication to all banking institutions in the Second Federal Reserve District:

"In order to effect a better distribution of nickels and pennies in the present emergency, the Treasury Department requests all banking institutions to ship all such coin in excess of absolute needs to the Federal Reserve Bank of their district. In this connection, the Treasury Department has recently issued statements to the press urging the return of coin savings to circulation to ease the production strain on Mint establishments and to save metals vital to the war by lessening demand for new coins.

"Nickels and one-cent pieces should be sent to us by express collect."

Government Employment At New Record In Sept.

The Federal Government added 98,715 civilian employees to its payroll in September, bringing the total of workers in the executive branch inside and outside Washington to 2,549,474, the Civil Service Commission reported on Dec. 10.

The Associated Press accounts had the following to say:

"The War Department continued to be by far the biggest employer, adding 67,276 workers to its rolls and reaching a peak of 11,076,306 employees in all.

"The Navy gained 18,098 over its August total and at the end of September had 518,663 employees.

"The Washington area had 281,423 workers in the executive branch at the end of September, representing an influx of 6,061 persons for the month.

Haney, Goldwasser To Address Buying Ass'n

Dr. Lewis H. Haney, Professor of Economics at New York University, and I. Edwin Goldwasser, Vice-President of Commercial Factors Corporation, will be the speakers at the annual luncheon meeting of the Association of Buying Offices, Inc., at the Hotel Pennsylvania, New York, on Jan. 11th, it was made known today by A. A. McCarty, president of the buying group.

"Inflation and the Post-War Outlook" is the subject chosen by Dr. Haney, while Mr. Goldwasser will speak on "Civilian Apparel Merchandising in 1943." This annual luncheon meeting is a curtain raiser to the National Retail Dry Goods Association's traditional convention, billed this year as a five-day "Wartime Conference."

Dr. Haney is consultant on economic problems and business conditions for the National Association of Purchasing Agents, and is a member of the Economic Advisory Group of the National Association of Manufacturers. He is the author of several books on economics, the most recent of which is "Value and Distribution."

Mr. Goldwasser's career in the factoring business extends over a period of more than 20 years, during which he has been a close student of both production and distribution of textiles. He was the originator of the plan for a vertical set-up in the cotton field. He has written extensively on various phases of factoring, more from the viewpoint of the merchandise manager rather than that of the banker.

Christmas Party -- 1942 Style

(Continued from page 2236)

Blue Sky Commissions of the various States will understand why I feel the way I do. I pray that we shall some day be permitted to operate under one set of regulations instead of 48."

Then Mr. Lord threw off the depressing attitude of his opening remarks and began to speak of the future. "Wall Street has been steadily on the down-grade since 1937," he said. "The bottom has been reached, the worst is known, we are now on the up-grade—**1943 will be a better year!"**

He spoke of the stirring in the grass roots, of the increasing evidence that our corporations will be let live, of the new inventions coming forth under the stress of a war economy—inventions that will point the way toward a higher standard of living after the war.

He had words of encouragement for the investment company field and for the members of his own organization. "As stewards of other people's money," he concluded, "we have the funds under our management fully invested in good American securities. We have selected those securities with all the care that we could possibly bring to the management of our own funds. With this position we shall go into the New Year—with confidence in the future!"

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The Business Man's Bookshelf

Commercial Policy in the Inter-war Period: International Proposals and National Policies—League of Nations Publication 1942 II A. 6—Columbia University Press, International Documents Service, 2960 Broadway, New York City—$1.75.

Federal Power Commission and State Utility Regulation, The—Robert D. Baum—American Council on Public Affairs, 2153 Florida Ave., Washington, D. C.—Cloth, $3.75; Paper, $3.00.

Network of World Trade, The—League of Nations Publication 1942 II A. 3—Columbia University Press, International Documents Service, 2960 Broadway, New York City—Clothbound, $2.75.

Prisons Cost Too Much—Leonard V. Harrison, with the Assistance of William Vargish—Committee on Youth and Justice, Community Service Society of New York, 105 East 22nd St., New York City—Paper, 10c.

Technical Papers of the Seventeenth Annual Michigan Accounting Conference—W. A. Paton, Editor—Michigan Business Papers Series, No. 13, 1942—University of Michigan Press, Ann Arbor, Mich.—$1.00.

Wartime Rationing and Consumption — League of Nations Publication 1942 II A. 2—Columbia University Press, International Documents Service, 2960 Broadway, New York City—$1.00.

Hamerschlag, Borg To Admit Robert Isaac

Robert Isaac will become a partner in Hamerschlag, Borg & Co., 40 Wall Street, New York City, members of the New York Stock Exchange, as of Jan. 2. Mr. Isaac was formerly a partner in Byfield & Co., and prior thereto was for many years a partner in Halle & Stieglitz.

NY Security Analysts

The New York Society of Security Analysts, Inc., has announced that there will be no Forum meetings for the period Dec 21, 1942, through Jan. 2, 1943. The regular forums will be resumed on Monday, Jan. 4, 1943.

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Our Reporter On "Governments"

By S. F. PORTER

The various 2% issues of 1951/49 are acting beautifully, indicating the inherent strength of the market today, and the growing sophistication of the holders of these "bank bonds." . . . In recent days, few of these 2s have reached the market. . . . There has been a steady demand for them from institutions evening out their portfolios after purchase of the December basket. . . . Dealers report the bonds hold, rise a bit, hold again—typical movement in an advancing market. . . . In short, the Treasury has scored again. . . . Secretary Morgenthau has put over his idea of a maximum of 2% for bank bonds, has brought recalcitrant investors around to his theory that the 2s are for permanent bank holding through the war and early post-war years. . . . We may see some violent fluctuations in the securities, of course, and we will, if the vigilance of the authorities ever is relaxed, or if the support is withdrawn at the wrong time. . . . But as of today, the 2s look good. . . .

It has been a long time since this column contained serious criticism of the Treasury Department, and its financing policies. . . . Reason, frankly, is that Morgenthau adopted the moves long advocated here, and he and his assistants have done a super-superb job on the December borrowing. . . . There's no other way to describe the way the $9,000,000,000-plus deal has been handled, except to say it has been managed magnificently. . . . The credit goes to the Victory Fund Committees, to the 50,000 professional salesmen who have shown an enthusiasm, and an expertness in selling Governments, which will go down in history to their advantage. . . . But this is unnecessary praise. . . . The figures tell the tale. . . . And so does the fact that the books are being closed before Christmas. . . . And the fact that the total went way above the minimum set—which was, in itself, a world record. . . .

And now, to some sidelights of significance. . . .

PRICE FORECASTS

Check around the Government bond district reveals general feeling that the 1¾s of June 15, 1948, will chalk up the biggest premium first. . . . Buyers of these considered of the "most permanent calibre." . . . Less of these will be outstanding than of the new "on sale" 2½s. . . . Some speculation in them too, which probably will add color to trading in them as the market bounds back from the pressure of the December deal. . . .

As for the 2½s, they'll hold. . . . At par, or maybe at a slight, slight premium. . . . Expectation that books on the "on sales" will be reopened in April or before—depending on the date for the next major operation—a continuing depressing influence. . . . But the 2½s are all right for any institution that can buy them, and that expects to hold them for a while. . . . Interest rate is high in comparison with rate on securities offered banks. . . . Control of market may be taken for granted. . . . Issue of 1968/63 considered more attractive by many, because there is no compulsion for registered form. . . .

Continuing and ever-increasing demand expected for certificates of indebtedness. . . . For some institutions with temporary balances, they know won't be around for more than a year, these are perfect. . . . It really means ⅞% interest on riskless investment. . . . Also a factor not enough people appreciate is that these c.i.s become increasingly attractive as the maturity date approaches, for they become a ⅞% issue for nine months, six months, three months, etc. . . . When they're up to the three-month mark, they're competing directly with the discount bills, and you know the difference there. . . . ⅜% on a 90-day bill, against ⅞% on a c.i. . . .

As for market, extent of support is impressive, but one major reason for open market buying lately, has been effort of Federal Reserve System to offset soaring currency totals. . . . That is not the same as buying to hold the price level, and to know this market, you must know those differences. . . . Market is acting well. . . . Official control is as much psychological as actual. . . . Expectation of constant control is as much a factor as the entrance of buying orders. . . .

Conviction appears to be spreading that, after Christmas, market will show signs of recovering from long pressure of every-month financings, and, certainly after New Year's Day, the January reinvestment demand will become an encouraging influence. . . . January reinvestment demand may not shape up to much this year because of buying done this month, but it will be something. . . . Many institutions just don't get their cash until January, and just won't abandon old policies of waiting for the New Year to act. . . .

It all adds up to a firm-to-better market. . . . And that's the way the dealers and professionals feel about it now. . . .

INSIDE THE MARKET

And now, to some other angles outside of prices. . . . Important report, generally overlooked, was Treasury announcement that less than 2% of purchases of war bonds by people to date have been redeemed for cash. . . . Total redemptions to end of November were $211,000,000 or 1.98% of total outstanding, while November redemptions amounted to only 35/100 of 1% of aggregate out. . . .

This was lower turnover than in days before the war. . . . Baby bond redemptions ran to 3½%. . . . In other countries, redemption figures are much higher. . . .

It means, of course, that people really are holding their war bonds. . . . Tremendous buying power for post-war days is being built up. . . . There'll be a new rich in this country after the war, and the people trying to redeem bonds then will be doing so to buy consumer goods. . . . Think over these points, study them. . . . They suggest fundamental considerations in the prosperity-depression outlook for the post-war period. . . .

Story out of Washington is that Government officials want banks to borrow to buy Governments. . . . Borrow from the Reserve at ½%, buy Governments at ⅞%. . . . Borrow at 1%, buy Governments at 1¾ or 2%. . . . Obviously, borrowing would be profitable. . . . Obviously, it would be safe, for if the Governments bought at margin aren't safe, the Governments held outright aren't either, and the banks, as well as the rest of the nation's investors, might as well give up completely. . . .

Another report around is that Government bond portfolios may be exempted soon from FDIC assessments. . . . This is being pushed by banks, may go through. . . .

As for bank response to borrowing, check around discloses that banks are willing to borrow some funds for buying of Governments, not too much as yet. . . . They'll have to be worked up to it, assured borrowing statements to public won't hurt their reputations as "rocks of strength." . . .

Tremendous numbers of individuals bought 2½s and 1¾s, according to latest reports breaking down subscriptions. . . . For many, it was a first venture into the Government market as such, the first time they had realized there was more to the Government market than the Series E, F and G bonds. . . .

Feeling is this eventually will result in broadening of market with greater profits on turnover to dealers. . . .

Municipal market quiet again after activity inspired by insurance company switching out of gilt-edge municipals into Governments. . . . Insurance companies sold municipals generally with maturities in same range as "on sale" 2½s, a confirmation of their shifting programs. . . . About $100,000,000 municipals sold, funds transferred into 2½s.

Moderate Increase In Canadian Industry

A moderate increase in manufacturing is recorded by the index of industrial activity, prepared by the Canadian Bank of Commerce, Toronto, which rose from 182 at mid-October to 186 at mid-November (1937=100), while the percentage of factory capacity utilized rose from 121 to 122. The processing of foodstuffs increased generally, except in the case of canned goods, thus following the usual seasonal trend. The clothing group remained steady, a rise in men's clothing and furnishings (mainly uniforms) and slightly greater activity in cottons and woolens offsetting a decline in women's clothing, and, to a less degree, in knitted goods and rayon. There was no change in the pulp and paper group, but other wood products declined owing to a continued recession in sawmilling The activity in the iron trades, especially the heavy section, showed a marked increase, but the gain in the automotive group was only slight.

The Bank's wage payroll index rose from 210 in September to 222 in October (1937=100). The rise in manufacturing payrolls from 233 to 248 was the steepest in a year. Mining and logging payrolls recovered and construction also registered an increase. Trade payrolls fell but were above the general level of earlier months.

Farr To Admit Jonklaas

Farr & Co., 90 Wall Street, New York City, members of the New York Stock Exchange, will admit Ernest M. Jonklaas to partnership in their firm as of Jan. 1. Mr. Jonklaas has been associated with Farr & Co. since 1930.

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Reports For Duty

Daniel E. Fitzpatrick, partner of Phelps, Fenn & Co., 39 Broadway, New York City, has been granted leave of absence by his firm. He has been commissioned Lieutenant in the U. S. Naval Reserve and reported to Naval Training School, Naval Air Station, Quonset Point, R. I., on Dec. 22.

Daniel E. Fitzgerald

Westmoreland Coal Company

(Continued from page 2234)

vestments which totalled $47,281 in 1941. After deduction of moderate administrative expenses and taxes of $48,758, deduction of depletion, depreciation and development expenses of $102,540 and after crediting $32,445 profit on the sale of assets, Westmoreland, Inc. for the year 1941 showed a net income of $119,563, equal to 67 cents per share. Before the depreciation, depletion and development deductions and the credit from the sale of assets Westmoreland, Inc.'s earnings were $189,658 or $1.06 per Common share.

Indications are that with the substantial increase in coal production by the producing company the royalties and rentals received by Westmoreland, Inc. during 1942 should be well in excess of the $189,600 minimum. The indicated higher earnings are reflected by the payment of $1.25 per share on the Westmoreland, Inc. Common this year against $1 per share paid in each of the four preceding years.

The Westmoreland, Inc. Common listed on the Philadelphia Stock Exchange and traded inactively on the New York Curb is currently available at around 13¾.

Both companies have followed the policy of regular purchases of their own stock, the coal company in 1941 having purchased 13,715 shares of its own stock and Westmoreland, Inc. 3,218 shares of its stock. At December 31, 1941, the coal company had outstanding 140,000 shares after deduction of 10,000 shares held in the Treasury while Westmoreland, Inc. had outstanding 178,935 shares after deduction of its 21,065 Treasury shares.

The Common stocks of both the Westmoreland Coal Company and Westmoreland, Inc. are tax free in Pennsylvania and consequently have particular appeal for residents in that State.

The Board of Directors of both companies is identical and includes such prominent persons as John Hampton Barnes, Esq.; Edward B. Leisenring, President; Ralph H. Knode, Vice-President; James D. Winsor, Jr. of Biddle, Whelen & Co.; C. Stevenson Newhall, Chairman of the Board of the Pennsylvania Company; David E. Williams, President of Corn Exchange National Bank & Trust Company of Philadelphia, and James E. Gowen, President of the Girard Trust Company.

Final Edition THURSDAY In 2 Sections – Section 2

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 156 Number 4136 New York, N. Y., Thursday, December 24, 1942 Price 60 Cents a Copy

ABA Committee & Govt. Agencies Agree On Simplified Form For Earnings, Div. Reports

In line with the program of the Bank Management Commission of the American Bankers Association to promote greater standardization and simplification of banking forms and procedure, a special committee of the Commission has been working with the three Federal bank supervisory agencies for the past several months on a project directed toward the adoption of a uniform report of earnings and dividends and a simplified report of condition. The Association made known on Dec. 14 that the three Federal agencies have recently agreed on a shortened, simplified and uniform call report form and a uniform earnings and dividend report. The earnings and dividend form agreed upon by the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System will be used in obtaining reports covering 1942. The condition report form will be used with the next call for report of condition. The Association adds that agreement having been reached as to the adoption of the new earnings and dividend report by the Federal agencies and by most State Banking Departments, an effort will be made to secure its use in the future by other State Supervisors. Similar efforts will also be undertaken as to the new uniform call report form.

The Association's announcement further explained:

"In the past, the earnings and dividend reports to the Federal supervisory agencies have not been on a uniform and comparable basis. National banks and state banks which are members of the Federal Reserve System have reported on forms quite similar while State banks, not members of the system, have reported on another type of form. Where the earnings and dividend reports of State bank supervisory agencies have differed from one or the other of the Federal forms, State banks have been required to fill out one form for the State agency and another for the Federal Reserve or the FDIC. Inasmuch as the new form has been adopted by the Federal agencies and most of the State banking departments, considerable duplication of work in filling out forms will be eliminated, an important contribution to bank operating efficiency in the face of reduced manpower under war conditions.

"At the same time the committee evolved a condensed form of current operating earnings report for the use of banks which may desire to report earnings data to their shareholders and others. Information regarding operating results is being requested increasingly of banks by treasurers of large corporate depositors who

(Continued on page 2264)

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

This is being written as I approach Washington from a trip to the Pacific Coast. I return with this definite conviction: The Washington bureaucracy had better be cleaned out and cleaned out quickly or this country, certainly that portion through which I have just traveled, faces a serious bogging down in its war effort. It isn't important that a traveler becomes stranded in a particular place for days at a time, that once on a train it moves along tediously at a snail's pace, that frequently the food runs out on the diner, or that the heat runs down. These could be looked upon as sacrifices except that people moving about on trains these days are on business essential, at least, to their livlihoods, unless they are so downright foolish as to travel for pleasure.

What is important, I think, is that these experiences are symptomatic of what is taking place throughout the National economy.

Earlier in the year when gas rationing was first being applied to the East, and there was considerable doubt as to the necessity of it, I happened to be sitting in a group with Leon Henderson. At the time there had been no suggestion that gas rationing was really for the purpose of conserving rubber. The agitation turned solely on the question of whether there was enough gas. The various agencies with their conflicting statements were having a hard time justifying the rationing. Henderson was trying to do it for this particular group. Finally one of those present spoke up and said:

"Well, the truth is, Leon, isn't it, that gas rationing is really to conserve rubber."

It is difficult to tell what is in another fellow's mind, but I am

(Continued on page 2257)

Notice To Our Readers

Due to the constantly expanding volume of current news of paramount importance to business and industry, we are obliged, owing to space limitations, to divert to Section 1 a considerable amount of material which, under ordinary conditions, is usually contained in this section of the "Chronicle." In bringing this matter to the attention of our readers, we are mindful of our pledge to make every effort to increase the value of the "Chronicle" by reporting, without delay, all of the information essential to a thorough knowledge of the manifold changes in tax and other legislative matters originating in Washington, together with the activities of the many Government agencies whose functions are of increasing importance to the conduct of business in the present emergency.

GENERAL CONTENTS

Editorials

Page
Has the "Social Gains" Theory Worked? 2250
How Did We Get This Way? .... †

†Seventh of a series of articles, appears on first page of Section 1.

Regular Features

Financial Situation 2249
From Washington Ahead of the News 2249
Moody's Bond Prices and Yields 2263
Items About Banks and Trust Cos. 2264
Trading On New York Exchanges 2259
NYSE Odd-Lot Trading 2259
Changes In Reacquired Stock Holdings 2262

State of Trade

General Review 2250
Commodity Prices—Domestic Index 2261
Weekly Carloadings 2263
Weekly Engineering Construction 2262
November Contracts Up 43% 2263
Paperboard Industry Statistics 2258
Weekly Lumber Movement 2263
Fertilizer Price Index 2263
Weekly Coal and Coke Output 2262
Weekly Steel Review 2258
November Shipments by "Big Steel" Subs. 2260
Moody's Daily Commodity Index 2263
Weekly Crude Oil Production 2261
Non-Ferrous Metals Market 2261
Weekly Electric Output .... ‡
Cotton Spindles In Oper. (Nov.) 2251
November Cottonseed Receipts 2259
November Dept. Store Sales In N. Y. District 2259
Bankers' Dollar Accept. (Nov. 30) 2260
Retail Food Costs Increase 2252, 2250
Dec. 1 Cotton Report 2260
Wholesalers' Inventories, Credits (October) 2255
November Rayon Deliveries 2256
October Earnings, Employment Set New Highs 2264
Commercial Paper Outstanding 2258
Cotton Spindles On Oper. (Nov.) 2251

‡Not available due to holiday.

Miscellaneous

Agree On Simplified Earnings, Dividend Reports 2249
New Congress Convenes Jan. 6 2252
Henderson Resigns As Price Administrator 2252
N. Y. Institute Teaching Jap Language 2252
Lend-Lease Food Shipments In Oct. 2252
Nov. Bonds Sales Below Quota 2252
War Bond Redemp. Less Than 2% 2252
Value of Various Gas Coupons Reduced 2250
Urges Protection of Union Seniority Rights 2253
Armed Service, WPB Agree On 1943 Plans 2253
N. Y. Christmas Club Deposits Lower 2253
Establish Intl. Arbitration Body 2253
Share-the-Meat Campaign Started 2253
U. S.-Canada Post-War Agreement 2254
CCC Loan Rates Raised On 1942 Corn Crop 2254
Mtge. Bankers to Decentralize Meetings 2254
Cotton Farmers Favor 1943 Marketing Quota 2254
Willmore Heads Nat'l Realty Group 2255
War Bank Loans Expand 2255
Paper "Coins" Banned 2255
Senate Rejects Flour Price Increase Plan 2256
NWLB Rule On Union Maintenance Protection 2256
Restoration of Albania War Aim 2256
Roosevelt, Churchill Pledge Jap Defeat 2256
Quarterly Report On Lend-Lease Operations 2257
Hoover Criticizes Food Control System 2257
Zinc Saving Program Approved 2257
Sees Threat of Post-War Regimentation 2259
Adds to Treasury Special Depositaries 2260
Pay On Buenos Aires External 4½s 2260
FDR Urges Industry to Increase War Output 2262
Chile Pledges Aid to U. S. 2262
Mexican Bond Tender Offer Amended 2263
ABA Group Offers Plan for Bank Money Orders 2264
American Banking Institute to Curtail Meeting 2264
Rubber Mission to Visit Russia 2264
N. Y. Victory Group Sells 45% of December Offering 2258
U. S.-Uruguay Trade Accord 2258
Fixes Priority Status for Gas and Fuel Oil 2258
Ration Coal and Heating Stoves 2258
No. 3 Oil Coupon Valid In Emergency 2258
Occupational Mileage Rationing Changed 2258
Vetoes Bill Denying Govt. Liability Incident to War Program 2251
Govt. Acquires 8 Million Tires Under Purchase Plan 2251
ABA Sponsors War Personnel Conference 2251
Join Victory Fund Group 2251
Says Books Are "Enduring Weapons" 2251
Nazi Crimes to Be Avenged: FDR 2255
Make Idle Dollars Fighting Dollars 2254
Unity Spearhead of Victory: FDR 2253
N. Y. Factory Employment Higher 2252

THE FINANCIAL SITUATION

Last Spring an "expert" in the War Department estimated that when the industrial expansion occasioned by the needs of armament production is completed, the Federal Government will be found to own seven-eighths of all the new plant and facilities. Some idea of what this will mean in terms of the immediate postwar situation is afforded by information now coming to hand from time to time. Particularly enlightening is the special report to the President and Congress by the Secretary of Commerce under date of Nov. 30, 1942, describing the operations of the Reconstruction Finance Corporation and its subsidiaries in connection with the war.

RFC As Entrepreneur

The data in this document are as of Oct. 31, 1942. They show, for example, that as of that date the Defense Plant Corporation, an RFC subsidiary, had financed or contracted to finance the construction, equipment, partial equipment, or expansion of 1,337 plants for the production or fabrication of ships, bombing, fighting, transport and cargo planes, tanks, heavy guns, ordnance, magnesium, aluminum, steel, tin, copper, and other metals, synthetic rubber, high octane aviation gasoline, machine tools, flying schools, pipe lines, etc., at an aggregate estimated cost of $8,333,839,503, of which $2,407,294,064 had been disbursed and $798,239,768 cancelled. Over 800 of the plants are now in full or partial operation. The plants and equipment are all owned by the Corporation.

Commitments made by the Corporation include $2,448,477,447 for the production of aircraft and parts, including $18,000,000 to Henry Kaiser and Howard Hughes for the design and construction of three super cargo planes; $1,826,230,695 for the manufacture or purchase of machine tools; $459,449,896 for the production of ordnance; $195,754,536 for the construction and equipment of shipyards and vessels; $51,025,728 for the manufacture of radio and scientific equipment; $189,662,963 for production of aviation gasoline; and numerous other items.

Aluminum

In the aluminum expansion program the Corporation and the RFC had made commitments in the amount of $737,391,674. These include the construction of 12 plants for the production of aluminum. Nine of these plants are

(Continued on page 2251)

War Melancholia— and Realists

There is another class of citizen who creates a depressing atmosphere, but who must not be confused with the counterfeit patriot. This type of citizen is afflicted with the war melancholia—almost a phobia. His patriotism is real enough; he loves his country and he is sure that, win or lose, the country will never be the same. Its foundations will crumble. Its superstructure will collapse with the damaged foundation.

Every war we have been through since we became a republic has generated a more or less widespread epidemic of this war melancholia, but each time when peace has come the disease has disappeared. The sorry pictures proceeding from the overfervid imaginations have not materialized into gruesome realities. The nation has gone forward.—William M. Jeffers, Rubber Administrator.

There may have been such victims of war melancholia in this country in past years. We may have them with us now.

They are, however, not to be confused with the realist who knows full well that the nation may not again go forward as in the past unless he, along with other like-minded citizens, sees to it that it does.

Editorial—

Has The "Social Gains" Theory Worked?

The new Congress will almost certainly review existing labor legislation and decrees among the very first actions it takes. This has already been forecast by demands from numerous Senators and Representatives who will exert increased influence in the new body for outright repeal or thoroughgoing amendment of key New Deal labor legislation. It is the purpose of this editorial to urge Congress to a most searching review of that legislation, because the "save the social gains" philosophy behind that legislation simply has not worked.

Throughout the past two years the New Deal resisted all efforts to review or amend the labor legislation by insisting in effect that the social gains must be preserved to insure the cooperation of the nation's workers. This rather insulting theory in actual practice called for the maintenance of the 40-hour week and the Wagner Act, a steady succession of Government-ordered wage boosts, and the maintenance of membership clause in union contracts in exchange for organized labor's pledge given late in December, 1941, not to strike in war industries.

This was the theory as practiced—how has it worked?

The record with regard to the observance of the no-strike pledge is clearcut, unmistakable, and unanswerable, despite all the myriad ways in which New Dealers from the President on down have tried to belittle and misrepresent its trend and significance. In January, the first month after the pledge was given, there were 27 strikes in war industries, according to the Government's own figures. By August of this year the toll had soared from 27 to 229! In January the number of man-days lost on account of strikes in war industries amounted to 46,197 and by August the total had jumped to 266,353, and in September the toll was 318,892 days lost. War-industry strikes and strike losses declined sharply in October, but the totals still were high, considering the pledge, and one must fear that the decline simply resulted from confusion over the wage-freezing that took effect in that month rather than from any more profound change in labor conditions.

It should be emphasized that the strike losses cited reflect only the days lost by actual participants in a strike and do not include idleness caused indirectly by walkouts in bottleneck departments.

Damning as this record is, it sometimes helps to bring out of these statistics some actual cases. These actual cases show better than do the figures the cooperation that has been won by the "Save the Social Gains" philosophy. Take a strike under way just a few days ago, almost in the midst of the Christmas season. Union employees of the Bethlehem Steel Company went on strike holding up vital war production because of a dispute over double pay for work on Sunday! The intervention of National CIO President Philip Murray was necessary to bring this strike to a halt. No comment is needed.

Take another strike, on Dec. 16. Workers at the vital Philadelphia war plant of the Electric Storage Battery Co. struck because the War Labor Board refused to give their union a maintenance of membership contract. The WLB, scarcely an agency biased against the unions, had found that the union's performance was so wretched (it had staged seven strikes in one year in violation of the contract) that it did not deserve the privilege of a maintenance of membership contract—so the union marked up an eighth contract-violating strike. Again no comment is needed.

Another case will be cited. One may or may not agree with the managerial and labor policies of Henry Kaiser, but one must admit that his West Coast shipyards have set the standards in America's magnificent shipbuilding performance. Now, the AFL and the CIO have moved into Mr. Kaiser's lair for a titanic jurisdictional battle, which cannot but vitally interfere with ship production unless the controversy is speedily settled. This is wartime and the two powerful union groups are engaged in the least defensible type of "organizing as usual."

Then we should turn our attention to an entirely different phase of the problem. Obviously, the strike statistics and the cases cited show that the "Save the Social Gains" philosophy has not enabled the nation to win the cooperation of the union leaders, nor has it been able to wean them away from "organization as usual." How has it worked with the individual employee?

One of the main problems in industrial relations today, aside from those which result directly from the union contract, is absenteeism. General Motors Corporation has just revealed that there has been a perpendicular rise in absenteeism in its plants during the past year. It and other large concerns state that the absenteeism ratio has risen from around a normal of 1 or 2% to 5% and more, while a few enterprises state that 8 to 10% is closer to their experience.

Now no one can definitely assign the reason or reasons why able-bodied American workers stay away from their work benches in vital war plants, even though they are not in any way incapacitated. It is known that absenteeism always reaches its peak on the opening days of the various hunting seasons, and also on Monday mornings.

But while we cannot say just what one factor alone is responsible for the rise in absenteeism, we can certainly aver with vigor that the social gains philosophy with its sharp increase in wages, with the unions given closed shops or maintenance of membership, and with the 40-hour week with overtime for hours over 40 still intact, has not won the workmen over to all-out cooperation on the job in hand.

As a matter of fact, some careful students of the absenteeism problem assert that the social gains theory is in part responsible for the mounting curve of absenteeism. They point out that workers enjoying unprecedentedly high earnings simply do not attach the importance to a single day's pay that the same man would a year or two previous when his weekly check was 40 or 50% smaller. The figures generally agree that newly-hired employees record a higher toll of absenteeism. The General Motors data shows that absenteeism is higher in its plants which have undergone the greatest degree of expansion. To a newly-hired war plant worker his weekly pay check of $50 or $60, when compared with his former earnings of $25 to $30, seems so magnificent that the temptation to take a day off for a hunting trip may indeed be irresistible.

Yes, when one looks over the record of the past year one must conclude that the social gains philosophy did not succeed, it did not accomplish the goal which was its sole justification. When Congress considers the 40-hour week law, the Wagner Act, or the decrees of the War Labor Board, it need not be restrained from criticising any of the enactments and decrees for fear that their action may jeopardize the cooperation of workers in war production.

Actually, it is only a truism to state that the vast majority of American workers have cooperated in war production—the output data prove the case. But the facts cited herein show that the social gains theory cannot claim credit for the behavior of this great majority. For in the specific fields in which most might be expected from the preservation of the so-called social gains, in those very fields our record is most disappointing, if not disgraceful. **The needless losses in production caused by the willful acts of the minority—these losses have been fostered rather than checked in the past year!**

The State Of Trade

A number of the heavy industries showed declines for the week though electric power output made a new historic high. The amount of electrical energy distributed by the electric light and power industry during the week ended Dec. 12th was the highest in the history of the industry. The Edison Electric Institute disclosed that 3,937,524,000 kilowatt hours were distributed, surpassing the previous week's record of 3,883,534,000 kilowatt hours, compared with 3,475,919,000 hours in the like 1941 week. The year to year increase was 13.3%.

Carloadings of revenue freight during the week ended Dec. 12th dropped to 740,336 cars. This was a decrease of 19,285 cars, or 2.5%, compared with the preceding week; a decrease of 66,889 cars, or 8.3%, compared with a year ago, and an increase of 3,996 cars, or 0.5%, compared with 1940, according to Association of American Railroads report.

Steel operations this week are scheduled at 98.1% of capacity, a decline of 0.3% from the preceding week when the rate was 98.4%, according to the American Iron & Steel Institute.

This week's output is estimated at 1,678,200 net tons, compared with 1,683,300 tons the previous week, 1,681,600 tons a month ago, when the rate was 98.3%.

Buying pressure is off most steel products except for alloy steels, cold drawn bars and large bar rounds, the magazine "Steel" reports in its weekly summary of the iron and steel markets.

The War Production Board is more liberal in extending permission to railroads to buy freight cars and locomotives and as a result a number of companies are making requests for additional rolling stock.

The possibility of a scrap scarcity before midwinter is foreshadowed by "Steel." The bottleneck, the magazine said, is inability of scrap yards to collect and prepare the tonnages gathered at various centers in the fall salvage drive as trucks and manpower are lacking.

Weekly engineering construction volume totals $75,539,000, or 12% above the 1941 week, but 11% below a week ago, according to "Engineering News-Record." The 60% gain in Federal work offset an 85% drop in State and municipal construction to boost public volume 19% over the 1941 week. Private work, however, is 50% below last year.

Comparisons with the preceding week reveal a drop of 12½% in Federal and a 12% decline in the public total. State and municipal and private work, on the other hand, are 12% and 1% higher, respectively, than a week ago.

One of the most interesting of the week's developments was the showing of retail trade. Holiday buying sent retail sales to new record figures. Some claim the nation is enjoying its biggest Christmas business season in history. Stores are crowded with customers who have more money to spend than ever before. Merchants report that shoppers rarely think in terms of price today, with the result that better quality merchandise and the so-called luxury items are in exceptionally good demand. Furs, jewelry, cosmetics and perfumes are being heavily bought, along with negligees, hosiery, handbags, umbrellas and similar gift items.

The general belief in merchandising circules is that this is the last big holiday season for the duration of the war; not that the public will lack money next year, but rather that merchandise shortages will prevent a repetition of the heavy buying.

The high rate of Christmas trade will raise department store sales for 1942 to 12% above 1941 dollar volume. This is more than double the increase in prices over the same period, indicating a substantial increase in the number of units being moved off store shelves.

While all evidence points to civilian supplies being reduced month by month throughout 1943, the impression should not prevail that stores will be stripped of merchandise, authorities point out. The total value of goods and services available next year is currently estimated as likely to be only between 5 and 10% under that of 1942, observers state.

Although earlier predictions on prospects for retail sales gains in the first six months of 1943 were discouraging, a number of merchants are beginning to take a more optimistic view of the immediate future. Several leading department stores, not only in New York City, but throughout the nation, now are figuring that it will be possible to show a 5 to [illegible]% increase in the first half of 1943, even though they fail to register gains in either their men's clothing or home furnishings departments.

Department store sales on a country-wide basis were up 16% for the week ended Dec. 12th, compared with the like week a year ago, according to the Federal Reserve System.

Department store sales in New York City in the week ended Dec. 12th were 8% larger than in the like 1941 week.

Railroad revenues for the month of November were $552,244,472, according to reports of [illegible]4 Class I railroads, accounting for 81.3% of total operating revenues.

The Association of American Railroads calculated this was a gain of 48.6% over the $371,512,[illegible]00 reported by these roads for the comparable 1941 period.

'Gas' To "B" And "C" Card Holders Reduced

The ban in the 17-State East Coast area on the sale of gasoline to holders of A, B and C ration books was lifted at 12:01 a. m., Monday, Dec. 21. This ban had been ordered by the Office of Price Administration on Friday, Dec. 18. Retail service stations were forbidden to honor gasoline ration coupons except the "T" values (commercial trucks), or one coupon of any other class (A, B or C) for "emergency" use. Moreover, a motorist could not get any gasoline if he had three or more gallons in the tank.

In addition to lifting the ban on gasoline sales, the value of "B" and "C" ration coupons were cut from four to three gallons. The value of the "A" and "T" coupons were unchanged at three and five gallons respectively.

Leon Henderson, Price Administrator, stated that the reduction would save approximately 25,000 barrels of fuel a day. Local rationing boards will not be permitted to renew any supplemental rations for passenger cars until new tables of allotments are received from the Office of Price Administration in Washington, it was further announced. The new allotments will affect the number of coupons to be issued to a "B" or "C" user.

THE FINANCIAL SITUATION

(Continued from first page)

in at least partial operation and all are expected to be completed within a few months. The Corporation and RFC are also building four plants for the production of alumina. The Corporation is, in addition, building 48 plants and putting facilities in 12 other plants necessary for aluminum production and for the fabrication and manufacture of aluminum products. The Corporation and the RFC had made commitments in the amount of $422,074,007 in the magnesium manufacturing program. These include provision for the construction of 16 plants. Twelve of these plants are now in some stage of operation and all are expected to be completed in a few months. The Corporation is also building or putting facilities into 26 plants and 5 other operations necessary for magnesium production and for the manufacture of magnesium products.

Steel, Etc.

The Corporation and the RFC had made commitments totaling $893,369,207 for the construction of 144 new plants and the installation of equipment in 29 existing plants to increase production of iron and steel, iron ore, pig iron, steel ingots, steel plate, armor and forgings, and blooms, bars, castings, tubing and annealing and heat treating; and for increased production of coke and coal. These plants are to be operated under leases by 83 existing privately owned companies. The Corporation had authorized $102,850,000 for four pipelines for the transportation of petroleum products from Texas and the Middle West, over land and through inland waterways, to the Eastern Seaboard.

The Corporation is financing facilities for the production of additional copper in Chile at an estimated cost of $4,999,850 and has agreed to finance another plant at an estimated cost of $15,000,000. It is also establishing facilities, at an estimated cost of $19,300,000, for the production of nickel in Cuba; and has authorized $4,000,000 for the construction in Peru of facilities for the production of vanadium.

A New Rubber Industry

The Rubber Reserve Company, another RFC subsidiary, and the Defense Plant Corporation had arranged with 67 rubber, oil, chemical, utility and other companies to provide, construct or operate plants and facilities for the annual production of 663,000 tons of butadiene, 172,500 tons of styrene, and other necessary chemicals and catalysts, to be used in the manufacture for the Rubber Reserve Company of 4 types of synthetic rubber, viz., the butadiene-styrene-copolymer type 705,000 tons annually, butyl rubber 132,000 tons, neoprene 60,000 tons, and thiokol 50,000 tons, a total rated capacity of 947,000 tons of synthetic rubber per annum. The estimated cost of these plants and facilities runs to $564,361,220.

The Reconstruction Finance Corporation and its subsidiaries are, moreover, not the only agencies through which the Federal Government is acquiring industrial plant and facilities. The Government has constructed and is constructing directly at its own expense a number of plants and substantial facilities, particularly shell loading establishments. In addition, new plant and facilities constructed under the so-called Emergency Facilities contracts are substantial, although information as to the extent of these contracts is not known. The program of the Maritime Commission will also add largely to the facilities of the Federal Government—facilities which will be of industrial and trade significance at the close of the war. Return of lend-lease grants may add substantially to the total. What total amount of plant and facilities the end of the war will find in the hands of the Government can not, of course, be ascertained at this moment, but it will be very large—a substantial proportion of the total industrial plant and facilities in the land. Precisely how adaptable these facilities will be to peace time pursuits, is likewise unknown at present, as is likewise the degree of "protection" that will in the event be provided private enterprise by certain clauses in the contracts under which construction has proceeded. It may, however, be taken for granted that such factors as these will be no insuperable obstacle to a Government determined to "go into business for itself" on a broad scale.

Materials

All this, moreover, must be appraised in conjunction with the fact that the Federal Government will without question enter the postwar period the owner of the largest accumulation of an enormous variety of materials ever assembled. In addition to the Defense Plant Corporation, the Reconstruction Finance Corporation has created and owns the Defense Supplies Corporation, the Metals Reserve Company, the Rubber Reserve Company and the U. S. Commercial Company, all of which have been and are active in acquiring vast stores of almost everything available—often whether or not such materials are needed here, the purpose often being to prevent the enemy from obtaining them. In addition, thousands of enterprises are even now heavily in debt to the RFC. As of Oct. 31, 1942, the Reconstruction Finance Corporation and all its subsidiaries had authorized loans, investments, purchase contracts and other commitments, in connection with the war, aggregating $18,289,576,761, less commitments aggregating $1,548,965,589 subsequently cancelled.

Not all of the story has even yet been told, but the facts cited are sufficient to afford wholesome food for thought.

Vetoes Bill Denying Government Liability On Profits Lost By Requisitioning In World War I

President Roosevelt in a veto message to the House on Dec. 14 questioned the advisability of the Government's paying individuals profits which they might have realized had they received materials which instead were requisitioned for war purposes.

On the ground that it would establish an "undesirable precedent" for similar cases arising from requisitioning, priorities and allocations, the President rejected a bill which would have conferred on the Court of Claims jurisdiction to render judgment on a $195,000 claim by John L. Alcock of Baltimore, dating back to the last World War.

The Government in 1918 directed Mr. Alcock's suppliers to discontinue shipments to him of lumber he had contracted to sell and deliver in Scotland. Mr. Alcock contended that he should be reimbursed for the profits he would have realized on a resale of the lumber had he been able to secure the lumber from his suppliers, and had he been able to deliver it to his customers in Scotland.

The President in his veto message said:

"It appears to be the theory of the legislation that the Government should be held liable merely because it requisitioned the lumber in the hands of Mr. Alcock's suppliers and thereby presumably rendered it impossible for them to fulfill their obligations to Mr. Alcock.

"In the conduct of war, however, the Government is frequently constrained to requisition and allocate material. In case it requisitions material, it pays just compensation. There is neither a legal nor a moral obligation on its part, however, to reimburse persons who would have purchased the material so requisitioned and would have realized profits on its resale.

"Moreover, it should be observed that the approval of this bill may create an undesirable precedent for numberless similar bills in behalf of individuals whose contracts have been or may be frustrated during the present war by reason of requisitioning of materials from their suppliers, priorities and allocations. The limitless financial burden that would result is one that the Government should not in equity and good conscience be required to undertake."

Bricker And Evans Join Cleveland Victory Group

M. J. Fleming, Chairman of the Victory Fund Committee for the Fourth (Cleveland) Federal Reserve District, announced on Dec. 7 the appointment of John W. Bricker, Governor of Ohio, and of John H. Evans, Vice-President and Trust Officer of the McDowell National Bank of Sharon, and President of the Pennsylvania Bankers' Association, as members of the Victory Fund Committee. A. C. Coney will continue as chairman of Area 1, of the Fourth (Cleveland) District until such time as he leaves to assume his new post as Vice-President of the Union Trust Co. of Pittsburgh. At that time, John S. Fleek, Executive Manager of the Victory Fund Committee for the Fourth Federal Reserve District, will act as chairman of Area 1, pending appointment of Mr. Coney's successor.

Jefferson Memorial Foundation Elects

The Thomas Jefferson Memorial Foundation, which maintains as a National Shrine Monticello, the home of Thomas Jefferson at Charlottesville, Va., announces the election of the following officers for the coming year:

President, Stuart G. Gibboney, of New York; Vice-President Frank K. Houston, of New York; Secretary, Henry Alan Johnston, of New York; Treasurer, William S. Hildreth, of Charlottesville, Va.; Assistant Treasurer, Paul F. Tate, of New York.

The Foundation also announces the following additions to its Board of Governors:

William Marshall Bullitt, of Louisville, Ky., senior member of the law firm of Bruce & Bullitt and Solicitor General of the United States in President Taft's administration; Col. Joseph M Hartfield, of New York, a lawyer who is now serving as attorney for the Red Cross.

The directors of the Foundation who were elected are: Messrs. Gibboney, Houston, Johnston and Hildreth; Claude G. Bowers, U. S. Ambassador to Chile; Dr. Fiske Kimball, Director of the Philadelphia Museum of Art; Breckinridge Long, Assistant Secretary of State; Joseph Miller, Jr., formerly Secretary of the Board of Education of New York City, and Dr. George J. Ryan, Vice-President of the Long Island City Savings Bank, Long Island City, N. Y.

The Foundation and the nation will, in 1943, celebrate the Bicentennial of Thomas Jefferson's birth, which occurred on April 13, 1743, the Congress having created the Thomas Jefferson Bicentennial Commission, of which Senator Carter Glass, of Virginia, is chairman. A number of states have, also, by Acts of their Legislatures, created Bicentennial Commissions, including Virginia and Pennsylvania. During this bicentennial year, the beautiful Thomas Jefferson Memorial, in the City of Washington, will be dedicated by the President of the United States.

Cotton Spinning For November 1942

The Bureau of the Census announced on Dec. 19 that according to preliminary figures, 23,843,808 cotton spinning spindles were in place in the United States on Nov. 30, 1942, of which 22,948,248 were operated at some time during the month, compared with 23,012,048 for October, 22,956,224 for September, 22,973,572 for August, 23,109,576 for July, 23,094,560 for June, and 23,079,000 for Nov., 1941. The aggregate number of active spindle hours reported for the month was 10,558,436,326. Based on an activity of 80 hours per week, the cotton spindles in the United States were operated during Nov., 1942, at 133.4 per cent capacity. This percentage compares, on the same basis, with 136.9 for October, 134.9 for September, 136.4 for August, 130.2 for July, 133.7 for June, and 129.8 for Nov., 1941. The average number of active spindle hours per spindle in place for the month was 443.

8,000,000 Tires To Government

The Office of Price Administration on Dec. 9 announced that close to 8,000,000 tires had been forwarded to the Government under the Idle Tire Purchase Plan up to the close of business Nov. 28. Of this total, 6,919,500 was made up of actual receipts at central warehouses, while at least 1,000,000 more were estimated to be in transit.

Sampling examinations of tires reaching warehouses indicate that about half of all those turned in are so badly worn or damaged they cannot be put into shape for resale. These will be scrapped and converted into reclaimed rubber. The rest are either usable as they are or can be made serviceable by repairs and recappings.

The Idle Tire Purchase Plan was set up by the Government so that passenger car owners with more than five tires per car—plus one for each running wheel of trailers or other such equipment—might dispose of them in order to qualify for gasoline under the mileage rationing regulations and to provide a Government stockpile of tires to keep essential vehicles rolling.

ABA Sponsors War Personnel Conference

A wartime personnel conference, under the sponsorship of the American Bankers' Association, was held Dec. 10, at the Federal Reserve Bank of New York. The meeting followed a conference held in Philadelphia on Dec. 8; other conferences were held in recent weeks in Cleveland, Boston, Minneapolis, Kansas City, St. Louis, Chicago, Richmond, Atlanta and Dallas.

William Powers, ABA Director of Customer and Personnel Relations, had presented to each of the conferences a detailed analysis of the banking personnel situation throughout the country in the light of the increasing number of bank employees who have gone into the armed forces and war industries. In addition, panel discussions were a feature of each meeting, which were participated in by bank personnel officers from each district who discussed local problems, and who presented for the benefit of all bankers in attendance the practical steps they have taken to solve personnel problems in their institutions. At each of the conferences, Mr. Powers discussed the significance to banks of the government's wage freezing regulations.

President Calls Books 'Enduring Weapons'

At a recent meeting of the Council on Books in Wartime, Inc., in New York City, President Roosevelt praised the "growing power of books as weapons."

The President's message, read by W. W. Norton, Chairman of the Council, follows:

"Books, like ships, have the toughest armor, the longest cruising range and mount the most powerful guns. I hope that all who write and publish and sell and administer books will, on the occasion of your meeting, rededicate themselves to the single task of arming the mind and spirit of the American people with the strongest and most enduring weapons."

77th Congress Adjourns After Longest Session In History; New Congress Convenes Jan. 6

The 78th Congress will convene on Jan. 6 with President Roosevelt scheduled to deliver his annual message to a joint session of the Senate and the House on Jan. 7. This was decided on by Congressional leaders at a conference at the White House on Dec. 14.

The 77th Congress adjourned sine die on Dec. 16, thus bringing to a close the longest national legislative session in American history. The House and Senate were in session almost continuously since Jan. 3, 1941. Both branches of Congress passed on December 15 the joint resolution bringing the session to an end on December 16. Leaders decided on the adjournmnet when it became apparent that no more important legislation would be enacted this year, due to the absence of a quorum in the House and the debate on controversial measures in the Senate.

President Roosevelt on Dec. 16 sent adjournment day letters to members of Congress, expressing his thanks for all they accomplished and his wishes for a happy Christmas. In identical letters, sent through Vice-President Wallace, as President of the Senate, and Speaker Rayburn, Mr. Roosevelt said:

"On the final adjournment of the Seventy-seventh Congress, may I send to the members of the Senate (of the House) my truly sincere thanks for all that they have accomplished during these difficult two years, and also my good wishes for a happy Christmastide."

As a result of adjournment a number of important measures were left stalled on the calendars. These included Administration proposals to boost the Reconstruction Finance Corporation's borrowing and lending authority by $5,000,000,000 to approximately $23,000,000,000, a bill permitting the Treasury to sell non-monetary silver for war industry use and a measure authorizing the "good neighbor" transfer of American utility properties to Panama.

Also going over for the new Congress to consider is a House-approved proposal to raise agricultural parity price schedules by including the cost of farm labor.

Since Jan. 3, 1943, the constitutional date for Congress to convene, falls on Sunday, it was necessary to adopt a resolution to make the Jan. 6 date binding. This the House did on Dec. 14 and the Senate on Dec. 15.

The 77th Congress voted more funds than any other legislative body in history, according to the Associated Press. The second session approved a staggering total of $147,071,208,961 in direct appropriations and $14,150,634,000 in contract authority which must be met by later appropriations. These measures combined with funds provided earlier, boosted potential war expenditures along to a total of $220,000,000,000.

It was noted in Associated Press advices from Washington, Dec. 16, that financial highlights of the Seventy-seventh Congress were:

"Appropriations — $58,000,000,000 in 1941; $147,000,000,000 in 1942, as contrasted with $46,000,000,000 in 1917-18, the World War period, and with $7,900,000,000 for 1924-25, lowest two-year total since then.

"Contract Authorizations — $3,500,000,000 in 1941 and $19,000,000,000 in 1942, most of it for naval vessels and for the merchant marine.

"Taxes—Added $3,553,000,000 in new revenue in 1941, of which $1,144,000,000 came from boosted individual levies, the balance from increased corporation assessments; this year, added another $6,881,000,000. During the two years, dropped exemptions from $1,000 to $750 to $500; for married couples, from $2,000 to $1,500 to $1,200. Added a 5% Victory Tax effective January 1.

In the new 78th Congress Republicans will have a sharply increased voice in affairs as a result of their gains in the November elections. While the Democrats retain control of both House and Senate, the division will be more nearly in balance for the first time since the New Deal came into power in 1933. The new Senate will have 57 Democrats, 38 Republicans and one Progressive. The House will list 222 Democrats, 209 Republicans, two Progressives, one Farmer-Laborite and one member of the American Labor party.

N. Y. State Factory Jobs Higher In November

The booming war industries of New York State hired more factory workers again this month and thereby offset the usual seasonal drop in some civilian goods plants, according to a statement issued Dec. 16 by Industrial Commissioner Frieda S. Miller. Employment in State factories advanced 0.9% from mid-October to mid-November. Payrolls increased 1.8% for the period.

From the Department's advices we quote:

"The New York State Department of Labor's index of factory employment, based on the 1935-39 average as 100, was 153.5 (preliminary). This represents a rise of 8.8% over the index for November, 1941. The corresponding payroll index was 252.7, 35.4% above that for last year. Factory workers earned on the average $40.47 per week this November, compared to $32.79 in November, 1941.

"The statements in this analysis are based on preliminary tabulations covering the reports from 2,732 representative factories throughout the State. The Division of Statistics and Information, under the direction of Dr. E. B. Patton, is responsible for the collection, tabulation and analysis of these reports.

Payroll Gains At War Plants

"Producers of war materials continued to take on more employees during the month and their payrolls also increased. The gains in payrolls this month were greater than those reported for last month. Employment and payrolls in plants making ships, tanks, planes and firearms increased, although some shipbuilders reduced the working hours of their employees. Factories in the electrical and communications equipment and nonferrous metals industries employed several hundred more workers and their payrolls advanced somewhat. Steel mills increased their operations moderately, while activity at tin can plants continued to decline. Employment in the metals and machinery group as a whole showed a net increase of 2.8% and payrolls advanced 3.1%.

Seasonal Declines In Some Consumers' Goods Plants

"Seasonal losses in the apparel and food products group of industries were reported this month. The drop in the apparel group amounted to 3.7% in employment and 6.3% in payrolls.

Seasonal Declines in Many New York City Plants

"The industrial picture in New York City was influenced by the seasonal drop in the apparel group to the extent of causing a slight net decrease in total employment, although payrolls increased about 1%. Manufacturers of women's coats, suits and dresses and men's clothing laid off many employees, but firms in the apparel group making Christmas gift items such as men's furnishings and women's lingerie continued to be busy.

N. Y. Finance Institute Teaching Jap Language

Reports as to the difficulty of the Japanese spoken language have been disproved at the New York Institute of Finance, which is giving a course of 24 lessons for men about to enter the services. Using a competitive card game to speed mastery of vocabulary, the first small class, according to the Institue, has proved that the bugaboo was without substance. The Institute, in its announcement, says that because the class works in groups, newcomers may start at any time. Class sessions are held on Tuesday and Friday from 7:15 to 9:00 p.m. The instructor is Burton Crane, financial writer of "The New York Times," who spent 11 years in the Far East.

Lend-Lease Food Shipments Up In October

The Department of Agriculture announced on Dec. 10 that exports of food and food products from the United States to other Allied Nations reached 645,000,000 pounds in October, an increase of 93,000,000 pounds over the previous month. The Department reported particularly marked rises in shipside deliveries in grains and vegetables, as well as in eggs, dairy products, meats and fruits.

The Department expects the flow of American commodities to increase as new shipping and supply lines open up. Dried egg deliveries in October amounted to 14,700,000 pounds, the Department said, bringing shipments of these eggs to approximately 15% of total American production.

Shipments of butter, totaling more than 5,000,000 pounds, were the highest since lend-lease began.

According to Washington advises to the New York "Journal of Commerce" other large deliveries in October included 93,157,000 pounds of meat products; 91,656,000 pounds of corn; 83,596,000 pounds of raw cane sugar; 77,544,000 pounds of leaf tobacco; 46,235,000 pounds of lard; 36,637,000 pounds of wheat; 29,966,000 pounds of dried prunes; 26,295,000 pounds of corn starch; 23,337,000 pounds of canned fish; 10,236,000 pounds of dried peas; 7,586,000 pounds of citrus pulp; 4,570,000 pounds of oleomargarine, and 4,343,000 pounds of soya flour.

November Bond Sales Were Below Quota

Secretary of Treasury Morgenthau announced that November war bond sales totaled $734,500,000 as against a quota of $800,000,000.

At the same time Mr. Morgenthau revealed that voluntary payroll deductions for Series E war bond purchases reached a new high of $340,000,000 during the same month or an annual rate of over $4,000,000,000 of savings from current earnings.

Sales of Series E bonds, which include those purchased by payroll deductions, were $541,600,000 as against $587,000,000 in October. Series F and G bonds sales in November were $193,000,000 as compared with sales of $226,500,000 of these two series in October.

The November payroll allotment total represented 8.4% of the earnings of 23,600,000 men and women who invest in war bonds every pay day under the plan. The average investment for each of these was $14.40 for the month, the highest average yet reached since the beginning of the payroll savings program in December, 1941.

Leon Henderson Resigns As Price Administrator; Prentiss Brown of Michigan Slated As Successor

The resignation of Leon Henderson as Price Administrator was accepted on Dec. 17 by President Roosevelt "with great reluctance." Mr. Henderson told the President in his letter of resignation that his departure from government service was dictated principally "by a recurrent physical disability and a rather bad impairment of my eyesight." In accepting the resignation, Mr. Roosevelt thanked Mr. Henderson for his patriotic service in performing "an exceedingly difficult and thankless task" and expressed the wish that he would return to Government service when his health improves.

The resignation is effective upon the appointment of a successor, generally expected to be Senator Prentiss M. Brown (Dem., Mich.), who was defeated in the recent election.

Mr. Henderson, the Associated Press reports, "has been the object of much criticism in Congress and there have been open threats to trim appropriations to a point where it might be impossible for the Office of Price Administration to carry on all of the activities it has undertaken in connection with the original Price Control Act and the subsequent measure providing broad authority over prices, wages and salaries."

Mr. Henderson has been Administrator of the Office of Price Administration since its creation in April, 1941. Prior to that he had been head of the Price Stabilization Division of the now defunct National Defense Advisory Commission and a member of the Securities and Exchange Commission. Mr. Henderson entered the Roosevelt Administration in 1934 as an economic adviser and research director of the National Recovery Administration, later serving as economic consultant to the Works Projects Administration and as Executive Secretary of the Temporary National Economic Committee. Mr. Henderson's letter said:

"I hereby tender my resignation as Administrator of the Office of Price Administration to become effective at your will with the hope that you will select my successor immediately.

"My departure from Government service is dictated principally, as you have so understandingly known, by a recurrent physical disability and a rather bad impairment of my eyesight. I have consulted my physicians since I last talked with you, and they are more firmly convinced than ever that in the near future I must take a long rest as I have done before.

"I am well along with some major programs. which we have discussed, including simplification of retail pricing and the first of the extremely important point system rationing plans. I expect to devote a large part of my remaining service to stabilization of the fuel oil and mileage rationing programs, so that these may be no more special burdens to my successor than the others which have had such excellent community acceptance.

"Naturally, I'll be available to help my successor, and regardless of the date of my termination I shall be readily available and eager to explain any and all OPA actions for which I have had responsibility. You realize I have a justifiable pride in the integrity, courage, impartiality and superb strength of the far-flung organization which represents OPA to every American in every county and every territory of this country.

"Each day of proud service here has put me further in debt to my country and to you, my chief, for giving me such golden chances to do my utmost."

The President, in his letter of acceptance, said:

"When you last talked with me of the condition of your health, I hoped that it would improve and that your physicians would advise that it was possible for you to continue your work. It is disappointing to learn that you must resign. Under the circumstances I can not insist upon your continuing, and with great reluctance accept your resignation, effective upon the appointment and qualification of your successor. I cannot tell you how much I regret your having to leave the service of the Government at this time. The duty of placing a ceiling on the prices of commodities and, when a shortage exists, rationing the available supply among the civilian population is an exceedingly difficult and thankless task. You have performed this service with energy and with unexampled courage. You have not spared yourself, and I, as well as all others who have any conception of the problems entrusted to you, appreciate your patriotic service.

"I hope that after you have had the rest prescribed by your physicians, your condition will be so improved that you can return to the service of the Government. Keep me advised as to your condition, not only because of my interest in all that concerns you, but because when you are able to return to work I shall certainly want your assistance in some other capacity."

Nov. Living Cost Up 0.6%

The cost of living for wage earners and lower-salaried clerical workers in the United States maintained its rising trend with an advance of 0.6% in November, according to the National Industrial Conference Board, New York The Board states that food costs continued to be the leading factor accounting for the increase, showing a rise of 1% during the month, representing, it says, a smaller advance than during the previous month when the rise shown was 2.5%. The Board likewise says:

"Sundries, the only other item which increased, went up 0.8%. All other items surveyed—housing, clothing, and fuel and light—remained unchanged.

The Board's index of the cost of living (1923=100) stood at 100.3 in November as compared with 99.7 in October, 98.6 in September, 98.1 in August, 97.8 in July, 97.3 in both May and June, 92.9 in November, 1941, and 86.0 in January, 1941.

"The level of living cost was 8% higher than that of a year ago. Food showed the greatest advance over November, 1941 with an increase of 15.5%. Other advances during the 12 months were: clothing, 11.2%; sundries, 4.2%; housing, 1.5%; and fuel and light, 0.3%.

"The purchasing value of the dollar amounted to 99.7 cents in November, 100.3 cents in September, and 107.6 cents a year ago."

War Bd. Redemption Small

The Treasury Department revealed on Dec. 14 that less than 2% of the purchases of War Bonds have been redeemed for cash.

November redemptions, according to the Associated Press, amounted to $36,800,000, which Treasury officials said was just about 35/100ths of 1% of the total bonds outstanding. Redemptions in previous months have averaged even less.

The total redemptions up to the end of November amounted to $211,000,000, or about 1.98% of total war bonds outstanding. Treasury officials said this was a "considerably lower" turn-in rate than in other belligerent countries and less than the redemptions on old "baby bonds" issued before the war, which ran about 3½%.

Urges Protection Of Union Seniority Rights

President Roosevelt appealed on Dec. 8 to employers in civilian industries to give assurance to their employees who leave for war work that their seniority and re-employment rights will be protected in the same manner as those who leave to join the armed services. By doing this, the President said, employers can perform "a great service to the Government at this time when there is "great need for additional manpower to make munitions of war." Mr. Roosevelt observed that seniority rights are protected for men who join the armed forces under the Selective Service Act and that these "privileges have become an institution in American industry."

The President's statement follows:

"One of the ways in which we can encourage skilled workers in civilian industry to shift to employment in war plants is to see to it that when victory has been won, employees can return to their peace-time work without loss of all the seniority rights which they have accumulated over the years.

"All of us are conscious of the great need for additional manpower to make munitions of war which our own forces and those of our Allies so desperately need. All our people want to do their part, and realize that a job in a war industry is making a direct contribution to winning the yar. Many workers have over the years accumulated valuable rights to their jobs. Seniority privileges have become an institution in American industry.

"This was recognized when the Selective Service Act was passed. It was thought by the Congress only fair that men who gave up their jobs to enter the Army and Navy should have the maximum protection, so that when they returned they could step back into their jobs with a minimum of loss.

"Valuable re-employment and seniority rights are protected under the Selective Service Act. I think the same protection should be accorded to a worker, whereever possible, who leaves his job to accept employment to help with the war effort, frequently away from home and at times under less favorable conditions. I feel that employers in civilian industries will be willing to give the same assurances to their employees who leave for war work as they are giving to employees who are leaving to join the armed services. By so doing they can perform a great service to the Government at this time."

Association Of Free People Held Essential

Under-Secretary of State Sumner Welles declared on Dec. 6 that an association of free peoples when the war is won is just as essential to the future security of the United States as it now is in the war, and warned against following the "machinations of those special privilege interests which would turn the policy of the United States into one of narrow isolation because of their belief that they themselves would profit through such a course."

Mr. Welles spoke at the dedication of a memorial to Mrs. Sara Delano Roosevelt, mother of the President, at historic St. Paul's Church, Eastchester, Mount Vernon, N. Y. A plaque in memory of Mrs. Roosevelt was unveiled at the church where she had served as chairman of the restoration fund to restore the historic old church, founded in 1665, as a shrine of the Bill of Rights.

Mr. Welles said that "already we hear again the voices of those who decry all forms of practical international cooperation. Already we can see the efforts of those who would make this fundamental issue, the issue of our national future, a question of party politics."

Stating that the United Nations "association of free peoples" is vital to the successful prosecution of the war, Mr. Welles asked, "Do we realize that an association of the free peoples of the United Nations when the war is won is just as essential to the future security of this country?"

Mr. Welles also criticized the United States' policy of 20 years ago for not following the "ideal" of Woodrow Wilson of promoting an international order to maintain the peace of the world.

"Had the American people been willing a generation ago," he said, "to bear their fair share of responsibility for the maintenance of world order, would our men today be forced to offer up their lives in order that they may insure the preservation of the independence and the security of their fellow citizens?"

President Roosevelt, by letter, expressed his appreciation for the memorial to his mother. The letter, read by Edward Ridley Finch, chairman of the memorial committee, and addressed to the Rev. W. Harold Weigle, Church Rector, said:

"I am deeply appreciative of activities on the part of friends of my dear mother through which a memorial to her has been established in St. Paul's Church, Eastchester.

"Through the active years of her long life, my mother was deeply interested in the work carried on through St. Paul's and in the preservation of the venerable fabric as a shrine of real historic significance. My thoughts will be of her and of the loyal friends who thus have honored her when you gather for the service of dedication on Dec. 6.

"I shall be most grateful if you will assure all who have had a part in making this memorial possible of my heartfelt appreciation."

Armed Service, WPB Agree On 1943 Plans

Conversations among officials of the armed services, and of the War Production Board on the organizational plans necessary for achieving the 1943 war production program, have now ended with full agreement by all concerned, according to a joint statement issued Dec. 4, by Secretary of War Stimson, Secretary of the Navy Knox and Donald M. Nelson, Chairman of the War Production Board.

President Roosevelt had disclosed at his press conference on Dec. 1, that the dispute between the armed services and the WPB had been settled. The President minimized the differences involved in the conflict, saying that it was merely some overlapping of authority and that the settlement had been reached before slowing up production. The joint statement issued by the three officials added:

"Such questions as have arisen had to do with method; never with purpose or principle. To win the war quickly, effectively, and with the lowest expenditure of life, is everybody's goal. From time to time reexamination of the plans and methods for achieving that result is necessary. That has been done. The new arrangements give assurance that the immense production task for 1943 will be carried through to a successful conclusion."

Since these arrangements involve certain changes in the duties of Charles E. Wilson, Production Vice-Chairman of the War Production Board, Mr. Nelson issued the following statement outlining Mr. Wilson's duties:

"Mr. Wilson will exercise general supervision of the scheduling of the programs between the various services to see that they do not conflict, and that they are of such a nature that they may be performed in accordance with the requirements of the Joint Chiefs of Staff, and of the total war program. In carrying out these duties, Mr. Wilson will have the advice and assistance of the Production Executive Committee. This committee includes, in addition to Mr. Wilson, the following members: Lieut. Gen. Brehon B. Somervell, Vice-Admiral S. M. Robinson, Maj. Gen. Oliver P. Echols, Rear Admiral R. A. Davison, Rear Admiral Howard L. Vickery, of the Maritime Commission, and Ferdinand Eberstadt, Program Vice-Chairman of the War Production Board.

"In addition to these duties, Mr. Wilson is charged with the particular duty of central supervision and direction of the production programs of aircraft, radio and detection equipment and escort vessels. He will exercise these duties through the supply and procurement branches of the services.

"In the case of the aircraft program, Mr. Wilson will have the advice and assistance of the special Aircraft Production Board. The members of this board, in addition to Mr. Wilson, are: Lieut. Gen. William Knudson, of the Army, Maj. Gen. Oliver P. Echols, of the Army Air Forces, Rear Admiral R. A. Davison, and T. P. Wright, of the War Production Board.

"While Mr. Wilson has authority to inquire into any feature of the war production program, and to consult on production matters with officials of the services or any producer, he will issue his directions through the supply services of the Army, the Navy and the Maritime Commission."

N. Y. State Savings Bank Xmas Club Funds Down

Christmas Club depositors in 102 New York State Savings Banks are receiving $31,584,319 for Christmas as a result of their regular weekly savings during 1942, the Savings Banks Association of the State of New York reported on Dec. 14. This represents a decrease of 6½%, from the amount paid out a year ago, it is noted by the Association, which adds that this was expected, in view of the greatly increased War Bond purchases and participation in both pay roll savings and Victory Club accounts by a large percentage of the population. Also, during 1942, three savings banks gave up the Christmas Club activity. From the Association's announcement, we also quote:

"Nevertheless, the total savings through Christmas Clubs during 1942 was second highest on record, exceeded only by 1941. Informal reports indicate that a large percentage of the total savings will be invested in War Bonds. Only 20 of the banks offering this service paid interest on Christmas Club accounts. Eight paid 2% and seven 1%, with the other five paying from ½ of 1% to 1½%. Eighty-two banks paid no interest, whatsoever.

"The Seamen's Bank for Savings continues to have the largest Christmas Club, with 41,397 members, who saved a total of $2,539,260. Other banks, which have large clubs, include: The Dime Savings Bank of Brooklyn, Green Point Savings Bank, Lincoln Savings Bank, East New York Savings Bank, South Brooklyn Savings Bank, Long Island City Savings Bank, East River Savings Bank and North River Savings Bank. Twelve Banks throughout the State have indicated that they intend to discontinue Christmas Clubs during 1943, in the belief that, for the duration, Victory Clubs and other similar services will serve adequately in their stead."

Establishment Of The Internat'l Commercial Arbitration Commission

The establishment of an International Commercial Arbitration Commission having authority to set up international arbitration rules of procedure, and provide administrative facilities for an international system of commercial arbitration to assist in the peaceful settlement of economic controversies between foreign traders in the various nations in the post-war reconstruction period, was announced on Dec. 3. The International Commission was established by the Conference on International Commercial Arbitration held in New York City by representatives of 11 leading international organizations interested in foreign trade. Dr. James R. Angell, President emeritus of Yale University, presided at the Conference.

The initial organizations who are members of the conference and who were represented are: American Arbitration Association; British Empire Chamber of Commerce; Bureau of Foreign and Domestic Commerce, of the United States Department of Commerce; Canadian-American Commercial Arbitration Commission (American and Canadian Committees); Inter-American Bar Association; Inter-American Commercial Arbitration Commission; International Chamber of Commerce (American Section); International Labour Office; International Law Association; National Foreign Trade Council; and United States Chamber of Commerce Committee on Inter-American Business Policies of the Permanent Council of American Chambers of Commerce and Production. Regarding the Commission Dr. Angell said:

"In forming the International Commercial Arbitration Commission, the Conference had two distinct thoughts in mind. It was agreed that an international organization must be set up first for the purpose of assisting commerce and industry in the pacific settlement of any economic controversies that may arise in the course of resumption and continuance of foreign trade between the Americas and foreign countries and among those countries, and secondly, to assist commerce and industry in the rebuilding of confidence and good will and understanding through foreign trade channels, so arbitration may make a full contribution to the stabilization of trade when peace comes."

Dr. Angell further pointed out: "The new International Commission will augment the services to foreign trade now being offered by the Inter-American Commercial Arbitration Commission and the Canadian-American Commercial Arbitration Commission, so that all foreign trade contracts and arrangements may have any controversies arising out of them controlled by arbitration at all points where they arise."

President Says Unity Spearhead Of Victory

President Roosevelt asserts that the dominant note of the common war effort has been the unity of both the American people and the United Nations.

In a letter written for the anniversary number of "The Army and Navy Journal," made public Dec. 6, the President said that he took pride in the unity prevailing "in deliberation, in decision, in action," citing the North African campaign as "no hit or miss calculations" made by military men.

The text of the President's letter, addressed to Col. John Callan O'Laughlin, publisher of the "Journal," follows:

"The dominant note of our common war effort is unity, unity of our people, and unity of the United Nations. That is the hard fact which is the spearhead of victory. I am happy in the knowledge that it exists with us. Upon the battlefields of the seas and the continents across them, our crews and troops are operating with the efficiency of well-trained and disciplined teams.

"Coral Sea, Midway, the Solomons, New Guinea and North Africa are shining instances of their power. Also, thanks to the patriotism of our people, our land has become the arsenal of democracy from which, to quote Milton's pregnant lines, the world hears:

'Sonorous metal blowing martial sounds:
'At which the universal host up sent
'A shout that tore Hell's concave, and beyond
'Frightened the reign of chaos and old night.'

"I take pride in the grim determination of our people to preserve our democratic heritage whatever the sacrifices required of them; in the deeds of our fighting personnel, which are adding unfading glory to our traditions; in the magnificent resistance and resurgence of Britain, Russia and China, and in the unconquerable spirit flaming in the countries desecrated by the Frankensteins created by blood-fouled criminals.

"I take pride, too, in our unity in deliberation, in decision, in action. Our initial acceptance of the defensive, our assumption of the initiative when the opportunity struck, were no hit or miss calculations. They were the outcome of thoughtful estimate made not by nightmarish amateurs, but by military men whose lives have been consecrated to the study of war. An outstanding example of their labors is the brilliant campaign under way in North Africa.

"The truth about the war effort of the United Nations will make our people appreciate how great has been, and promises to be, our progress toward victory and freedom for mankind."

Share-the-Meat Campaign

The greatest house to house campaign in history was started on Nov. 30 when 2,000,000 Civilian Defense Block Leaders brought into action in a coordinated national campaign the Government's voluntary share the meat plan to every city, town and village in the land. These Block Leaders from Civilian Defense Councils are explaining why adult civilians are requested to limit themselves to 2½ pounds weekly of beef, lamb, mutton, pork and veal; why children of six to 12 should not eat over 1½ pounds weekly; and why children under six years should be restricted to ¾ of a pound. They will be prepared to give the housewife information on how to stay within this limit, including meals eaten both at home and in restaurants, and at the same time maintain a well-balanced diet by using other foods which are rich in protein, minerals, and vitamins.

The Block Leader Plan is described by OCD Director James M. Landis as "the best mechanism yet devised to enroll every household in the war effort."

The Share the Meat Campaign is the first of the national coordinated campaigns to be conducted by Civilian Defense Block Leaders. Immediately following it, the Block Leaders will conduct a Car Sharing Club drive, helping neighbors who have not joined clubs at places of business to organize car sharing groups for driving to work.

Civilian Defense Block Leaders are engaged in Civilian War Services which include community war programs apart from air raid protection and the work of the other protection branches of the Civilian Defense Council.

Make Idle Dollars Fighting Dollars: FDR

President Roosevelt on Nov. 29 called on all those with idle money in the bank to make their dollars "fighting dollars," by investing them in government bonds.

In a formal statement in connection with the Treasury's $9,000,000,000 December "Victory Loan" drive, which began on Nov. 30, the President said that more than 23,000,000 are already buying war bonds out of their regular pay, but appealed to the "other millions of individual investors, corporations, custodians of trust funds and estates" to make their idle money "go to work for our country."

Mr. Roosevelt bought the first "Victory Loan" $1,000 bond from Secretary of the Treasury Morganthau on Nov. 25.

The President's statement follows:

"It is one of our jobs here at home to provide the untold billions of dollars that are needed to help win this war. I know that millions—more than 23,000,000—are already buying war bonds out of their regular pay every payday. But there are other millions of individual investors, corporations, custodians of trust funds and estates, who have idle money in the bank. That money has got to go to work for our country. We have got to make our dollars fighting dollars by investing them in Government bonds. The new Victory Loan gives us a chance to make those dollars fight."

U. S., Canada Agree On Post War Settlement

The State Department announced on Dec. 1 that an agreement setting forth the principles which will guide the governments of the United States and Canada in approaching the problem of post-war economic settlements was concluded on Nov. 30 by an exchange of notes between Secretary of State Hull and the Canadian Minister, Leighton McCarthy.

In this exchange of notes, the Department said, "the two governments formally record their concurrence that post-war settlements must be of a sort which will promote mutually advantageous economic relations between them and the betterment of world-wide economic relations."

The State Department's announcement further explained:

"In indicating the objectives of such post-war settlements, the exchange of notes follows the underlying principles set forth in Article VII of the mutual-aid agreements which have been negotiated with the United Kingdom and a number of other countries. The two governments indicate their readiness to co-operate in formulating a program of agreed action, open to participation by all other nations of like mind. Its aims will be to provide appropriate national and international measures to expand production, employment and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to eliminate all forms of discriminatory treatment in international commerce; to reduce tariffs and other trade barriers and, generally, to attain the economic objectives of the Atlantic Charter.

"To that end the exchange of notes provides for the early commencement of conversations, within the framework which it outlines, between the governments of the United States and Canada and with representatives of other United Nations, with a view to establishing now the foundations upon which we may create after the war a system of enlarged production, exchange and consumption of goods for the satisfaction of human needs in our country, in Canada and in all other countries which are willing to join in this great effort.

"The exchange of notes particularly emphasizes the similarity of interests on the part of the United States and Canadian governments in post-war international economic policy and the collaboration for mutual aid in defense and in economic matters which has been provided through the Ogdensburg and Hyde Park agreements and subsequent arrangements. It states that in the conversations to be undertaken between the two governments an effort will be made to furnish the world with a concrete example of how two friendly, economically interdependent countries, convinced that reciprocally beneficial relations of the sort prevailing between them must form part of a general system, may promote by agreed action their mutual interests to the benefit of themselves and other countries."

The Ogdensburg agreement, made Aug. 18, 1940, set up a permanent joint board to consider the defense of the north half of the Western Hemisphere (referred to in these columns Aug. 24, 1940, page 1067).

The Hyde Park agreement, signed by President Roosevelt and Prime Minister W. L. Mackenzie King, of Canada, on April 20, 1941, provided for coordinating the productive facilities of the North American continent "for the purposes of both local and hemispheric defense," and for aiding Great Britain. This was reported in our issue of April 26, 1941, page 2634.

CCC Loan Rates Raised For 1942 Corn Crop

The Department of Agriculture announced on Nov. 23 that Commodity Credit Corporation will make loans on 1942 corn at rates which vary by counties from 73 to 89 cents per bushel in the Corn Belt. These rates average about six cents per bushel higher than in 1941. Loans on 1942 corn will be available from Dec. 1, 1942, to the close of the marketing year, Sept. 30, 1943.

The Agriculture Department's announcement explained:

"The commercial area loan rates are based on 85% of corn parity on Sept. 15, 1942, with adjustments for location based on the normal relationship of corn prices in each county to U. S. average corn prices. Parity for the entire country on Sept. 15, 1942, the last reporting date before the beginning of the current marketing year, Oct. 1, was 98.2 cents per bushel.

"Following the pattern of past price relationships loans will be lower in surplus corn-producing counties of the central area and higher in the counties of the commercial corn belt where the quantity of corn used normally exceeds the quantity of corn produced.

Loans throughout the commercial corn area will be made only to farmers who have complied with the 1942 corn allotment provisions. The 1942 commercial corn area includes 623 out of the 1,197 agricultural counties in 15 States: Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota and Wisconin, in the central area, and Delaware, Maryland and Pennsylvania in the eastern area.

"Outside the commercial area, loans will be available at rates varying from 57 to 74 cents per bushel to farmers who have complied with the requirements of the Agricultural Conservation Program. The Act provides that the rate outside the commercial area shall be 75% of the commercial area rate.

"All loan rates are based upon corn grading No. 3 or better, except for moisture content and test weight. The rate for corn grading 'mixed' will be two cents less per bushel.

"Loans on 1942 corn will be three-year loans maturing Aug. 1, 1945, or earlier on demand. Corn may be redeemed at any time during the loan period upon payment of the loan, plus 3% annual interest. If the loan is completed prior to April 1, 1943, the corn may be delivered in settlement of the loan during August, September or October of 1943. If the loan is completed on or after April 1, 1943, the corn will not be accepted in satisfaction of the loan until August, September or October of 1944. In practice, this gives the farmers the option of making one, two or three-year loans. Delivery of the farmer's corn is also subject to 30 days' notice to the county AAA committee.

"Commodity Credit Corporation will make a storage payment of six cents per bushel upon corn stored until Aug. 1, 1944, which is thereafter delivered to the Corporation in settlement of the loan. This storage payment is earned at the rate of three-quarters of a cent per bushel per month from Jan. 1, 1944, to Aug. 1, 1944. The storage payment in the 1941 loan program was four cents.

"Other provisions of the 1942 corn loan program are practically the same as under the 1941 loan program."

The Department's announcement further said:

"Commodity Credit Corporation loan stocks of corn totaled 149,405,071 bushels as of Sept. 30, 1942, as compared with 239,931,559 bushels a year earlier. Owned stocks totaled 48,165,474 bushels as compared with 165,359,383 bushels in 1942. Large quantities of corn were redeemed by producers during the past year to increase the wartime production of livestock products. Large quantities of Govrenment-owned stocks also were sold to feeders, and to producers of industrial alcohol for war use. The quantity of corn owned by the Government as of Nov. 14, 1943, was 32,356,000 bushels.

"The total supply of corn for 1942-43 has been estimated at 3,677,379,000 bushels. This consists of an estimated 1942 crop of 3,185,141,000 bushels plus a carryover of 492,238,000 bushels. The total supply compares with 3,318,300,000 bushels in 1941-42, consisting of a 1941 crop of 2,672,541,000 bushels and a carryover of 645,759,000 bushels. The supply for 1942-43 is the largest on record.

"Probable disappearance of corn in 1942-43 is estimated by the Department of Agriculture at 3,125,000,000 bushels. This compares with 2,826,062,000 bushels in 1941-42. On this basis, the carryover, as of Oct. 1, 1943, would be 552,379,000 bushels, as contrasted with 492,238,000 bushels on October 1, 1942. Disappearance in 1942-43 is expected to set a new high record, through an increase in numbers of livestock in 1943 over 1942. Disappearance figures allow also for seeding the 1943 crop, for quantities used in the production of industrial alcohol, and for other commercial uses."

Richmond Res Bk Directors

Charles E. Reiman, President of the Western National Bank of Baltimore, has been re-elected a Class A Director of the Federal Reserve Bank of Richmond. The Reserve Bank also announced the re-election of Charles C. Reed, Vice-President and General Manager of Williams & Reed, Inc., Richmond, as a Class B director. Each of these directors was chosen for a term of three years beginning Jan. 1, 1943.

FDR, Moroccan Sultan Exchange Pledges

The White House announced on Nov. 25 that President Roosevelt had received assurance from Sidi Mohammed, the Sultan of Morocco, of the friendship of Morocco. The Sultan acknowledged a message from the President which, said the Sultan, "came to us to express your friendship and to reinforce the friendly relations" existing between the United States and Morocco. The Sultan also referred to the Franco-Moroccan collaboration, which, said the Sultan, "has been so rich in happy results for the prosperity and grandeur of Morocco" and he added, "we are sure that the same will result from contact with the United States of America, for whom we have always had the greatest sympathy and with whom we have for many year had important commercial dealings."

The message was in reply to one the President sent assuring the Sultan that victory over the Axis would "inaugurate a period of peace and prosperity" to the benefit of the Moroccan and French people of North Africa.

The message to the President from the Sultan follows:

"We were happy to receive your message, which came to us to express your friendship and to reinforce the friendly relations which had existed for a long time between the United States and Morocco.

"After the armistice of June 1940, we made an agreement with the representative of France in Morocco to defend our empire against any and all aggressors in order to prevent its occupation. When the American troops arrived in Morocco, honor forced upon us the duty of defending ourselves in order that we might live up to our agreements.

"The limited means at our disposal were insufficient to permit us to defend our empire against forces superior both in numbers and in material. However, when the cessation of hostilities had been ordered and the commanders of your troops affirmed that they did not come as conquerors but as liberators, when they had given us tangible proof of their friendly methods, we had faith in their agreements. All of the inhabitants of this country have received them as friends.

"Furthermore, Morocco has no disagreement with the great nation of the United States, whose chivalrous and liberal principles are known to us. It was, therefore, in the above spirit that we declared to Major Gen. (George S.) Patton that, as long as our prestige, our soil, our religion and our traditions were respected by your troops they could rest assured that they found in Morocco only friends and collaborators.

"The first contacts between peoples who do not know each other well enough are marked by hesitation and reticence, but progressively, as reciprocal understanding is established between them, they are followed by esteem and friendship, which creates a cooperative effort profitable for all.

"Such has been the Franco-Moroccan collaboration, which has been so rich in happy results for the prosperity and grandeur of Morocco. We are sure that the same will result from contact with the United States of America, for whom we have always had the greatest sympathy and with whom we have for many years had important commercial dealings.

"It is in this hope, Mr. President, that we pray you to believe in our sincere friendship.

"With best wishes for your personal happiness and for the greatness of your glorious country.

MOHAMMED BEN YOUSSEF.

"Done at our capital, Rabat, the eighth day of the month of Dhou el-Kaada in the year 1361."

The President's message to the Sultan, made public on Nov. 23, follows:

"I have been highly pleased to learn of the admirable spirit of cooperation that is animating you and your people in their relationships with the French administration and with the forces of my country. This is particularly pleasing to me because our traditional friendship dates from the time of George Washington, the first President of the United States of America, to whom your noble predecessor gave as a mark of personal affection, the building which houses the American Legation in Tangier.

"Today the Axis Powers are foes of both our countries. This foe seeks to impose on North Africa a scheme of miltary and political domination. His lust for booty has reached into every phase of Moroccan life. I consider it fortunate that we are bound together in a common effort toward his destruction.

"Our victory over the Germans and Italians will, I know, inaugurate a period of peace and prosperity, during which the Moroccan and French people of North Africa will flourish and thrive in a manner which befits their glorious past and be pleasing to God.

"May God have Your Majesty in His safe and holy keeping."

Mortgage Bankers To Decentralize Meetings

In line with the nation's expanding war program and the increasing demand for transportation, Charles A. Mullenix, President of the Mortgage Bankers Association of America, announced that the organization next year will concentrate on regional conferences in contrast to larger meetings. The first will be a Mortgage Clinic to be held in Chicago in February with others proposed for Oklahoma City, St. Louis, Detroit, New York and Cleveland.

Last December the Association, anticipating a great demand for transportation that later developed, organized a nation-wide tour of its national officers with Washington officials of WPB, FHA and OPA to hold conferences in 25 cities. Success of the program and the expansion of the war effort dictates an acceleration of the plan this year, Mr. Mullenix said.

Cotton Farmers Favor 1943 Marketing Quotas

The referendum, conducted by the Department of Agriculture among Southern cotton farmers on Dec. 12, indicate in fairly complete returns, an overwhelming majority favoring retention of marketing quotas on the 1943 cotton crop. This marks the sixth successive year that cotton growers have voted in favor of Federal control over the production and marketing of cotton.

Balloting took place in 19 Southern and Southwestern States with 1,000.000 farmers eligible to vote. Early returns showed that the vote of approval was 85%—a two-thirds margin is necessary to continue control.

The Agriculture Department asked growers to vote for quotas, because it felt that less cotton and more war food crops should be grown in the South. It stated that the country could get along with a smaller cotton crop next year, because present supplies were estimated to be large enough to meet needs for nearly two years.

FDR Promises Jews To Avenge Nazi Crimes

The proposal that President Roosevelt appoint a commission to receive and examine evidence in Nazi barbarities against Jews and other civilians of Europe was made to the President on Dec. 8 by a delegation of Jewish organizations. Dr. Stephen S. Wise of New York, President of the American Jewish Congress, and Chairman of the delegation, is said to have stated on Dec. 8 that President Roosevelt has promised to give full consideration to the request for the establishment of a commission sought. The Associated Press also reports that the President reminded the group that he sent a message in July to an American Jewish meeting in which he promised that "the American people not only sympathize with victims of Nazi crimes but will hold the perpetrators of these crimes to strict accountability in a day of reckoning which will surely come."

The delegation, in addressing the President on Dec. 8, presented him with two memoranda—one appealing to the President to raise his voice in behalf of the Jews of Europe, and the other, detailing the group's evidence that 2,000,000 Jews have perished as a result of crimes in Nazi Europe.

Willmore Named Head Of Nat'l Realty Ass'n

The National Association of Real Estate Boards, meeting in St. Louis Nov. 18-20, elected Cyrus Crane Willmore, of St. Louis, as its President for the year beginning Jan. 1943. Mr. Willmore is President of Cyrus Crane Willmore Organization, Inc., past President of the St. Louis Real Estate Exchange, and a past President of Optimist International. He has served the NAREB as Vice-President and as Chairman of its Land Developers and Home Builders Division.

The Association rededicated itself to the maintenance of the principle of home ownership and private real estate ownership, and affirmed that while certainly some freedoms and rights of private enterprise must be yielded in the emergency there should be assurance of their immediate restoration when the emergency passes.

With retiring President David B. Simpson in the chair, the Realtors' National War Conference declared that victory in this war is and must be the first objective of every true citizen, before all considerations of private and personal interest. Without victory American institutions and freedom cannot survive. The Association renewed the pledge it gave President Roosevelt for the unremitting efforts of the Realtors of the country to this end.

It adopted a comprehensive statement as to action which is needed at this time in the real estate field to muster the full resources of the country for the war effort, which can best be done by preserving as far as may be consistent with vigorous prosecution of the war those rights and freedoms which we are at war to protect.

The Association's statement contained these six points:

1. Urged that the productive power of home builders be used to supply the war housing construction need, and that priorities be given to war housing on a parity with war plant construction.
2. Recommended the elimination of "distinct injustices" in OPA control of residential rents.
3. Urged that Congress refrain from passing a rent control act for business and commercial properties.
4. Suggested that the Government purchase of real property and leasing of space be placed under some central control.
5. Expressed its support of the proposed Congressional resolution for the creation of a committee on nation-wide tax integration.
6. Commended the Urban Land Institute for its work in helping to map a program of replanning and rebuilding American cities after the war.

Bank Loans For War Production Increase

More than $5,000,000,000 of war production loans and commitments by 421 of the nation's larger banks were outstanding on Sept. 30, according to the quarterly report of war lending activity prepared by the American Bankers Association and released for publication on Dec. 9. The survey shows that bank loans and commitments for financing the manufacture of armaments and war supplies increased $856,000,000 during the third quarter of the year.

The A. B. A. announcement further said:

"Of the $5,035,000,000 of total loans and commitments outstanding at the end of the third quarter, $1,049,000,000 were for the construction of war plants and factories, and $3,986,000,000 were for the purchase of raw materials and plant equipment for war production.

"That the volume of these war loans negotiated by the banks and used by borrowers is constantly on the increase is indicated by the following figures, which show the disbursement of war loans by the banks for each quarter of 1942:

"January-March—38,000 loans aggregating $1,408,000,000.

"March-June—57,000 loans aggregating $1,986,000,000.

"June-September—66,000 loans aggregating $2,300,000,000.

"The $5,035,000,000 total of loans and commitments on Sept. 30 includes not only the $2,300,000,000 of loans made during the third quarter of the year, but also all previous war production loans that were still in use and unrepaid by borrowers as of that date.

"Of the total outstanding, only 32% were made with assignment of Government war contracts as security for the loans."

Paper "Coins" Banned; New 1c & 5c Pieces

Secretary of the Treasury Morgenthau said on Dec. 5 that the issuance of paper one-cent and five-cent pieces by merchants associations may subject to criminal prosecution the associations issuing such paper pieces and any persons who circulate them. The Secretary called specific attention to Section 3583 of the Revised Statutes (United States Code, Title 18, Section 293) which provides:

"No person shall make, issue, circulate, or pay out any note, check, memorandum, token, or other obligation for a less sum than $1, intended to circulate as money or to be received or used in lieu of lawful money of the United States; and every person so offending shall be fined not more than $500, or imprisoned not more than six months, or both."

The Treasury Department's advices of Dec. 5 added:

"The Secretary said that he was aware of the problem facing retail merchants who fear that the supply of minor coins will not be sufficient to meet the increased demands caused by Christmas shopping. He pointed out, however, that, although it was easy to understand the patriotic motives of groups proposing to issue such scrip, such practice was illegal and could not be tolerated.

"Secretary Morgenthau suggested that retail merchants associations cooperate with the Treasury Department in its campaign to persuade thrifty people to turn in to the banks all coins which they have accumulated in coin banks and kitchen crockery. The situation will be alleviated to a considerable extent if this campaign is given the greatest possible publicity. The Secretary indicated that it would be particularly effective if directed at school children and housewives.

"The Secretary also stated that the Treasury Department is doing everything that it can to keep adequate quantities of small coins in circulation. A bill has already been passed by the Senate and is being considered by the House of Representatives which will permit the issuance of minor coins which do not consume large quantities of strategic metals. The Mints plan to begin large-scale production of one-cent pieces composed of zinc-coated steel as soon as this bill is enacted.

"The Secretary also gave assurance that adequate quantities of fice-cent pieces will soon be available. The Mints are producing the new five-cent piece at maximum capacity. The new piece is composed 35% of silver, 56% of copper and 9% of manganese, thus saving all of the nickel, and 25% of the copper that was used in the former coin.

"The Secretary pointed out that one way of meeting temporary shortages in local communities would be for the merchants, trade associations and the local clearing house to work out a cooperative program for pooling the local supply of coins."

Incident to the Treasury announcement regarding the ban on paper coins, Associated Press advices stated that the Boise, Idaho, Merchants Association had a plan for use of paper 1-cent pieces. Treasury officials were said to have praised the patriotic spirit of merchants in that area, but finally issued the edict against the plan.

Laud Foreign Service For Year's War Work

President Roosevelt and Secretary of State Hull, in messages of Christmas greeting, have congratulated the American Foreign Servive for their wartime work during the past year. The message from President Roosevelt follows:

"To the American Foreign Service:

"In the year which is drawing to a close, events crowding swiftly one upon another have made heavy demands upon our nation and have called for sacrifice to greater or less degree from every American. We can be proud of the manner in which our people have responded to this call.

"You in the Foreign Service were prompt to respond; you have lived close to the war and privation since the beginning of this troubled era. You have accepted it all as part of the day's work and you have gone steadily ahead.

"Because we are in danger of taking for granted this quiet and uncomplaining acceptance of the dictates of necessity, I am glad to have this opportunity to express to you my awareness of all that you have given in the war of effort and sacrifice. I know how well your work has been done.

"It is, therefore, with especial feeling that I send you this Christmas greeting and the wish that wherever you are you may know some of the joy which is associated with this day.

"I am convinced that the happy Christmases of the past will come again.

"Franklin D. Roosevelt."

Both the President's letter and Secretary Hull's were given in special advices from Washington Dec. 7 to the New York "Times." In his message Secretary Hull said in part:

"I wish particularly to thank those members of the Foreign Service who uncomplainingly accepted immediate assignments to other posts abroad after their period of internment, foregoing the home leave which to all must have seemed well earned. Because of the war the Department has had to ask hard things of many of you. Your response has been gratifying and has left no question as to the calibre of our Foreign Service. I welcome this opportunity to thank you and congratulate you.

"Although this year Christmas is inevitably saddened by the consciousness of suffering in the world, my wish is that we may keep alive the spirit of this day. I am confident that the new year will renew in you the courage and high purpose which has guided you through 1942."

Wholesalers' Sales, Inventories, And Credits In October

October sales of wholesalers amounting to $339,796,000, advanced 10% over the same month a year ago, according to an announcement released by J. C. Capt, Director of the Census. The gain reported in September of this year, as compared with September, 1941, was 3%. An increase of 8% occurred between September and October of 1942. Sales for the first ten months of 1942, totaling $3,682,107,000, were 15% above those for the corresponding period of 1941.

The Census Bureau's announcement further said:

"Twenty-four of the 35 trades for which separate data are presented in this report showed increases in sales for October of this year compared with October, 1941, and eleven showed decreases. Wholesalers in the following trades enlarged the volume of their sales substantially: Shoes and other footwear (25%), tobacco and its products (22%), meats and meat products (20%), groceries and foods, except farm products (17%). In addition, moderate gains were shown in sales of drugs and sundries wholesalers (11%) and industrial supplies wholesalers (6%). A number of decreases in wholesalers' dollar sales were also registered: Furniture and house furnishings and paper and its products, each 21%, and electrical goods and general hardware, each 12%.

"Inventories, in terms of dollars based on cost values, at the close of October, dropped 5%, compared with September, the seventh consecutive month when inventories at the end of the month were lower than those at the beginning. Inventories at the end of October, 1942, were 16% below those for the same date last year, continuing the decline in evidence at the beginning of the year.

"The stock-sales ratio for wholesalers at the close of October, 1942, was 101 as against 133 for October, 1941, and 115 for September, 1942. Of the 32 trades for which stock sales ratios are shown, 27 registered decreases in their ratios for October, 1942, compared with those for October, 1941, four showed increases, and one (tobacco and its products) was the same. Full-line wholesalers of groceries and foods, with a 21% increase in sales and a 16% decrease in inventories, registered a stock-sales ratio of 121 for October, 1942, as compared with 169 for October a year ago. General hardware wholesalers, with a sales loss of 12%, and a 26% decrease in inventories, recorded a stock-sales ratio of 175 for October this year as against a ratio of 201 for October, 1941. The only substantial increases in stock-sales ratio were shown for wholesalers of paper and its products and automotive supplies, on the basis of a comparison with October, 1941.

"Collections on accounts receivable were up more than 19% for October, 1942, compared with October, 1941, and up almost 6% compared with September, 1942. The collection ratio for October of this year, was 95; for October of last year, 80; and September, 1942, 90. Accounts receivable were 11% less on Oct. 1, 1942, than on Oct. 1, 1941. Accounts receivable on Oct. 1, 1942, were slightly above those recorded for the beginning of September, 1942."

This monthly study is conducted jointly by the National Association of Credit Men and the Bureau of the Census.

Aid To Arab World Promised By President

President Roosevelt on Nov. 25 assured Gen. Nuri es-Said, the Prime Minister of Iraq, that the United Nations would not rest "until the Arab world has been relieved of every vestige of the threat of Axis aggression which has so long hung over it."

"In this great undertaking," the President said in a message to the minister, "which we shall prosecute with ever-increasing power, we are proud to feel that we have the sympathy and cooperation of Iraq and of all the Arab peoples."

The message was in reply to an open letter from the Prime Minister congratulating the President on the successful American landing operations in North Africa.

The text of President Roosevelt's message follows:

"The American Minister at Baghdad has advised me by telegraph of the text of your letter of Nov. 18 regarding the American-British military operations in North Africa, and I hasten to express my deep appreciation of your message and the praise you have been good enough to bestow upon the American and British commanders and upon me. I have been especially happy to receive your assurance that the Arab peoples of the Near East, as well as those of North Africa, rejoice at the success of the United Nations' arms. You may be sure that America, together with the other United Nations, will not rest until the Arab world has been relieved of every vestige of the threat of Axis aggression which has so long hung over it. In this great undertaking, which we shall prosecute with ever-increasing power, we are proud to feel that we have the sympathy and cooperation of Iraq and of all the Arab peoples.

"Please accept my best wishes for your personal welfare and that of the people of Iraq."

Urges Full War Output On New Year's Day

Chairman Donald M. Nelson of the War Production Board announced on Dec. 9 that war production factories would be expected to observe normal working schedules on New Year's Day. Mr. Nelson stated:

"Ever since Pearl Harbor, we have asked workers and management in war plants to forego their customary holidays in order to maintain unbroken production schedules. The response to these requests has been remarkably good, and the effect on production has been excellent. The one exception that has been made to this rule during the past year has been in connection with the observance of Christmas.

"New Year's Day should not cause a break in the steady flow of production. We can best start the new year by staying on the job and getting out a regular work-day's production of war goods."

Senate Rejects Byrnes' Plan Raising Flour Price

The Senate Agriculture Committee rejected, on Dec. 14, a proposal by James F. Byrnes, Economic Stabilization Director, to increase the price of flour 58 cents a barrel, if Congress would change the law so as to permit the Commodity Credit Corp. to sell up to 150,000,000 bushels of wheat at less than parity.

Mr. Byrnes' offer was made as an alternative to a wheat-flour subsidy program under consideration by the Department of Agriculture, in an effort to induce farmers to sell wheat to millers. According to the Associated Press, Senator Reed said that the committee unanimously approved a resolution sponsored by himself and Senator Gillette (D., Iowa), authorizing the committee to inquire into charges that Government agencies have defied Congress in fixing the price of flour and other agricultural foodstuffs.

Senator Reed (Rep. Kan.) said the same advices termed the Byrnes proposal inadequate, asserting the 58-cent a barrel rise in the price of flour would mean only 12 cents a bushel more for wheat to the farmers and "that would still be less than parity."

The flour price ceilings, as fixed by the Office of Price Administration on Oct. 3 on a temporary "freeze" basis and extended indefinitely on Dec. 3, are said by Senator Reed to be based on 76% of the price of wheat. This, it is claimed by farm bloc Senators, is in violation of the anti-inflation bill passed by Congress last October, which directed that, in the case of agricultural commodities, no maximum or ceiling price should be fixed that did not reflect parity to the producer and allow an equitable margin to the processor.

Many mills have complained that as a result of recent wheat-price gains, they are unable to buy grain at prices low enough to justify doing business within the fixed flour ceilings. Appeals have been made by the millers to have the Commodity Credit Corp. release some of its what loan stocks to relieve the situation, but, under the law, the CCC can sell none of its wheat to mills except at parity prices, which are almost 30 cents above the present market, although some of this grain can be sold to feed distributors or distillers below the market. The CCC owns outright about 250,000,000 bushels of wheat and holds an additional 400,000,000 bushels as collateral on loans it has made to farmers.

Senator Reed said Mr. Byrnes set out his proposal in the following memorandum to Senator Wheeler (Dem., Mont.), Acting Chairman of the Agriculture Committee.

From the Associated Press we also quote:

Senator Reed said the Byrnes memorandum was not confidential and, therefore, he made it public at a meeting of the Kansas Congressional delegation. As made public by the Kansas Senator, the memorandum read:

"In order to induce the farmer whose wheat is under the loan to sell at this time, the Department of Agriculture announced a program of paying to the farmer a subsidy of several cents a bushel and having Commodity Credit cancel the amount due for storage and insurance.

"As an alternative, I (Byrnes) propose to increase the price of flour 58 cents per barrel. This increase would be made possible by certain economies in the trade. The increased price of flour rolled back to the wheat farmer would mean an immediate increase of from 6 to 10 cents per bushel.

"Because such an increase would probably result in farmers believing that the market would continue to rise and wheat be withheld from the market, it is proposed that the Commodity Credit Corporation be authorized to sell not more than 150,000,000 bushels of wheat at the price that would result from the increase in the flour price of 58 cents per barrel, but in any event, not less than the market price the day of approval of the act.

"The authority could be limited to one year. It should be given with a proviso that it should not become effective until, and will continue only so long as the OPA maintains flour prices at 58 cents per barrel above present price levels."

NWLB Rule To Protect Union Maintenance

The National War Labor Board on Nov. 28 unanimously adopted a resolution to protect union members covered by its standard maintenance of membership clause from interference by either unions or employers with their freedom to withdraw from the union without losing their jobs during a 15-day escape period provided in these clauses. The announcement says:

"The Board's standard maintenance of membership clause gives union members 15 days during which they can resign from the union if they do not want to be required to maintain their membership in good standing as a condition of employment for the duration of the contract.

"The Board's action was taken to correct certain abuses which have arisen in connection with the application of this clause. Union members in several cases have been confused as to their withdrawal rights and employers have attempted to circumvent the operation of the clause by various devices, such as encouraging employees to resign from employment and thereafter rehiring them as non-union employees, or by inducing them to resign from the union during the 15-day period.

"The Board, therefore, resolved to set aside any union rules, regulations, laws or constitutional provisions which would otherwise make ineffective the right of the union members to withdraw during the 15-day period. It also resolved that employers "shall refrain from attempting to influence employees to resign from the union and from adopting other means or methods of interfering with the voluntary action and free choice of the employees"

Nov. Rayon Deliveries

Shipments of rayon to American mills during November amounted to 51,500,000 pounds (yarn plus staple fiber), as compared with 53,700,000 pounds shipped during October and 50,000,000 pounds shipped in November, 1941, states the current issue of the "Rayon Organon," published by the Textile Economics Bureau, Inc., New York. The advices, made available Dec. 7, also, said:

"Filament rayon yarn shipments, alone, for November, aggregated 39,000,000 pounds, while staple fiber shipments aggregated 12,500,000 pounds.

"For the 11 months ended Nov. 30, total rayon deliveries (yarn plus staple fiber) aggregated 566,600,000 pounds, as compared with 539,900,000 pounds shipped in the corresponding 1941 period, an increase of 5%. Eleven months' rayon yarn shipments alone amounted to 427,900,000 pounds and staple fiber shipments were 138,700,000 pounds.

"Stocks of rayon yarn held by American producers as of Nov. 30, aggregated 7,800,000 pounds, as against 7,700,000 pounds held on Oct. 30. Staple fiber stocks totaled 4,300,000 pounds on Nov. 30, against 4,100,000 pounds held on Oct. 30."

4-4-3 Club In New York To Aid War Bond Sales

The New York War Savings Staff of the Treasury Department, announced on Dec. 10, the formation of the 4-4-3 Club, one of the first civilian patriotic organizations to grow out of the war. The club, which is incorporated as a non-profit organization under the laws of New York State, is composed of businessmen who serve without salary, in the "boilershop" of the War Savings Staff. According to the announcement by the latter, the title evolves from the oft-repeated slogan of the war savings campaign: three dollars invested in War Bonds now will get you four dollars in ten years' time; hence "four-for-three."

Headquarters are at the New York War Savings Staff offices, 1270 Sixth Avenue. Officers are John W. Foge, Jr., President; Vincent Voplatil, Vice-President; John Falkenholm, Secretary and August Tucker, Treasurer; all are business men, who have devoted all or some of their weekly time during the past eight months to "selling" the War Savings program to others. The club's instigator is J. P. Stevens, Jr., President of the J. P. Stevens & Co., Inc., who is co-chairman of the New York County War Savings Staff.

The "boilershop" now numbers more than 100 people, who "sell" the payroll savings plan of systematic war savings to the heads of those plants and companies which have not yet installed it, and which, in another operation, bring up the extent of participation among firms where the plan is installed, to 10% of payroll or better. It is stated that, although its roster still remains preponderant in textile firm personnel, the 4-4-3 Club now numbers many other business men, including insurance men, bankers, salesmen, and other white collar type workers, among its membership.

Restoration Of Albania Is One Of War Aims

Secretary of State Hull declared on Dec. 10, that the restoration of a free Albania is inherent in the Atlantic Charter, and said that the United States looks forward to the day when "effective military assistance" can be given the Albanian guerrilla bands operating against the Italian forces of occupation.

In a formal statement, Secretary Hull pointed out that the United States has never recognized the annexation of Albania by the Italian crown.

Mr. Hull's statement follows:

"The government of the United States is not unmindful of the continued resistance of the Albanian people to the Italian forces of occupation. The effect of the various guerrilla bands operating against the common enemy in Albania is admired and appreciated. The government and people of the United States look forward to the day when effective military assistance can be given these brave men to drive the invader from their homes.

"Consistent with its well established policy not to recognize territorial conquest by force, the government of the United States has never recognized the annexation of Albania by the Italian crown. The joint declaration of the President and the British Prime Minister, made on Aug. 14, 1941, known as the 'Atlantic Charter,' provides as follows:

"'Third, they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them.'

"The restoration of a free Albania is inherent in that statement of principle."

Roosevelt, Churchill Pledge Japan Defeat

An exchange of messages between President Roosevelt and Prime Minister Churchill pledging the destruction of Japan's aggressive power was made public in London on Dec. 8.

Mr. Churchill's telegram to the President said:

"I feel it right that I should address you, Mr. President, on this day since our country no less than the United States was the object of an infamous outrage a year ago.

"The injuries we have all suffered at the hands of the Japanese during the past year have been grevious indeed. The peoples of the British Commonwealth of Nations are deeply conscious of their duty. We look forward one and all to the day when our full strength can be joined to that of our United States, Dutch and Chinese Allies for the utter and final destruction of Japan's aggressive power."

The President's reply follows:

"I deeply appreciate your message. Much has happened since the treacherous attack in the Pacific one year ago today. For months, most of the news was bad despite the heroic resistance of the Chinese, Dutch, British Commonwealth and American Forces. Injuries that all of us have suffered at the hands of Japan indeed have been grevious.

"Partial retribution in kind has been meted out to Japanese forces during the last seven months. This is only the beginning. We will continue to strike them with ever increasing force.

"I welcome your statement and join with you in the resolution that Japan's aggressive power must be utterly destroyed. In no other way can we be certain that their infamous aggression will not be repeated."

L. H. Pink Named Head Group Hospital Plan

Associated Hospital Service of New York, announced on Dec. 9, the election of Louis H. Pink, New York State Superintendent of Insurance since 1935, as President of the non-profit three-cents-a-day plan, which protects 1,300,000 New Yorkers against unforeseen hospital bills. Mr. Pink has informed Governor-elect Thomas E. Dewey of his intention to leave his office at the end of his present term, Dec. 31, to fill the vacancy created Oct. 22 by the death of Dr. S. S. Goldwater.

Long experienced in social, educational and charitable activities, Mr. Pink will assume his new duties at the moment Associated Hospital Service of New York is devoting its efforts toward large-scale cooperation with Community Medical Care, Inc., which extends similar low-cost protection to subscribers of Associated Hospital Service of New York against surgical expense up to $150 at a cost of a few cents a day.

Mr. Pink has been connected with the State Insurance Department for ten years. He has been Superintendent of Insurance for seven and a half years, which is the longest term one man has filled the office since the first superintendent, William Barnes, served ten years beginning in 1859. Under Mr. Pink's direction, the Department, it is claimed, has handled more property than any other public agency in the nation's history. Mr. Pink has long been a leader in assisting and directing projects formed for the purpose of bettering or protecting the living standards, health, education and general welfare of large numbers of New Yorkers. He has been Treasurer of the New York Child Labor Committee for many years. He was appointed to the State Housing Board in 1937 by Governor Alfred E. Smith, and later became Chairman of the Board. Mr. Pink has also been a member of the New York City Board of Education, and of the New York City Housing Authority. He is Chairman of the Board of the National Public Housing Conference, member of the Executive Committee of the National Association of Insurance Commissioners and Vice-Chairman of the Board of Trustees of St. Lawrence University.

On October 31, 1942, the Associated Hospital Service of New York, although not yet eight years old, had assets of $9,894,082.99. In addition to a voluntary $2,000,000 reserve for epidemics and other possible emergencies, it had a surplus of $5,121,865.19 for protection of its subscribers. It is also stated that since its formation in 1935, the organization Mr. Pink will direct has paid more than $37,000,000 to the hospitals which care for its subscribers, of whom approximately 400 are admitted daily to hospitals. Last year's payments are said to have amounted to almost $7,000,000.

FDR & Egyptian Premier Exchange Messages

An exchange of letters between Nahas Pasha, Premier of Egypt, and President Roosevelt, emphasizing the common desire of Egypt and the United States to see democracy triumph in this war, was disclosed in Cairo on Dec. 7, according to the Associated Press. These advices report that the Premier's letter, which was presented to Alexander Kirk, U. S. Minister, and Lieut. Gen. Frank Andrews, U. S. Commander in the Middle East, when they called on him Nov. 23, expressed "great satisfaction at seeing United States forces co-operating with Great Britain, Egypt's ally, in defense of democracy and the defense of small nations." The letter continued:

"The first fruit of this co-operation has been the driving of the Axis powers from Egyptian territory. American people who emigrated from Europe to win greater freedom now are coming back to the old world to defend the very freedom which is now menaced."

In reply President Roosevelt, it is learned from the Cairo Associated Press accounts, wrote:

"The American Minister at Cairo has conveyed to me your most welcome and cheering message expressing your appreciation of the contribution to the cause of liberty and democracy made by American forces of the United States in driving the Axis aggressors from the soil of Egypt.

"My countrymen and the freedom-loving people associated with them in this great struggle are determined that the ruthless invaders shall be driven from the lands of those they would enslave.

"In these trying times we Americans are proud of the friendship and good will of the people of Egypt, knowing we are united with them in the common desire to create a world in which mankind shall be free."

Conclude Talks

President Roosevelt and Prime Minister W. L. Mackenzie King, of Canada, on Dec. 6, concluded a series of week-end conferences at the White House. The conversations are believed to have covered many problems of interest to both countries, with emphasis on post-war matters.

The Prime Minister's visit followed the exchange of notes on Nov. 30, between the United States and Canada, setting forth the principles which will guide post-war economic settlements.

The Prime Minister, who arrived at the White House on Dec. 4, also conferred with Secretary of State Hull. Mr. King came to Washington from New York City, where he addressed a Pilgrims' dinner on Dec. 2.

From Washington

(Continued from first page)

convinced this is the first time the idea had ever entered his head. It is amazing how fast an idea can travel in Washington. I watched closely the development of this one. In a few days it had become the official explanation. Once it did, naturally there arose political agitation for its application to the country as a whole. Certainly it was just as important to conserve rubber in the Middle West as on the Eastern seaboard.

Thus this problem has developed. I have no desire to join the master mind class, but it does seem to me that the conservation of rubber could be accomplished by voluntary cooperation, and a strict regulation of speed. Be that as it may, the application of gas rationing to the country, as a whole, has resulted in an overloading of the rail and bus services. One hears on every hand of the havoc it has created on the farms, of the havoc it has created in non-war industries, and he sees now the disruption it is beginning to cause in war essential industries and in essential war transportation.

It is a little sickening, under the circumstances, to hear commentators and bureaucratic master minds in Washington deal with these problems with blueprint formulas. They heap formula upon formula, and make more complicated every problem they go into. Having pretty well bawled up the country's transportation system and clogged up the flow of raw materials, I am afraid they are now preparing to do the same thing to the nation's manpower. On the Pacific Coast I found that the shipbuilding industry long ago worked out its own solution of pirating and migratory workers. Now both the shipbuilders and the union leaders are afraid the National Government intends to move in and throw a fairly stabilized situation into confusion.

If they don't do it in this instance, they are definitely bent, it seems, of doing it in another way. This is the action of the National Labor Relations Board in moving to throw the entire industry into labor turmoil. There are more than 200,000 workers involved on the Pacific Coast. They have been working under a masters agreement, effected in April, 1941. Under this masters agreement, they are all members of the American Federation of Labor. There seems to be no doubt that the shipbuilders like the arrangement. Under it the Federation has supplied their men, it has trained the necessary thousands of newcomers. Naturally with the expansion of the industry the Federation's membership has grown tremendously. On the other hand, in spite of its claims the CIO isn't doing so well these days. When John L. Lewis pulled away with his monthly per capita payment of $30,000, not to mention the more than a million dollars he had given to the CIO, this political adjunct of the New Deal was badly hit.

The CIO leaders, naturally, look to the Administration for help, because it was at the instance of the Administration that they turned the heat on Lewis. It is quite apparent now that the NLRB is seeking to extend this help in throwing open these shipyards to the organizational activities of the CIO.

It isn't the purpose of this writer to defend the closed shop which exists in the Pacific Coast shipbuilding industry. The fact is, however, that the closed shop is something the Administration has long been encouraging. What I am talking about is the viciousness of a Government agency that, in these times, would go out to create the turmoil in a vital war industry that is most certainly coming up.

President Roosevelt Reveals 1,000,000 To Be Overseas By Year-End—Lend-Lease Aid Rises

In submitting to Congress his seventh quarterly report on lend-lease operations, President Roosevelt revealed on Dec. 11 that American forces overseas will total more than 1,000,000 men by the end of this month and, in a letter accompanying the report, stated that "the Axis powers have, temporarily at least, lost the initiative."

The President's report pointed out that, whereas six months ago Great Britain and Russia were turning out more arms than the United States, today this country not only has outdistanced its Allies in this respect but is daily increasing its lead as the world's greatest war production center.

About 15% of this country's total output of military items, the report said, is being exported to other United Nations under both lend-lease and direct purchase.

From a summary of the President's quarterly report on lend-lease operations ended Dec. 11, 1942, issued by the Office of War Information, we quote in part:

Total Lend-Lease Aid

Lend-Lease aid to our allies in the past three months totaled $2,367,000,000. For the 12 months ending Nov. 30, nearly the first year of our participation in the war, lend-lease aid totaled $6,526,000,000. The current rate of aid amounts to approximately $10,000,000,000 annually or about 15% of the current rate of spending on the over-all United States war program. Thus, the country is putting about one-seventh of its total effort into lend-lease assistance to other United Nations.

From the beginning of the lend-lease program on March 11, 1941, to Nov. 30, 1942, the dollar value of goods transferred and services rendered is $7,496,000,000.

In addition to lend-lease aid the United States has supplied other United Nations with weapons and other materials purchased by them for cash, just as they have supplied us, both by direct purchase and reciprocal lend-lease. From March, 1941, to October, 1942, cash purchase exports to our allies totaled $6,450,000,000 compared to lend-lease exports of $4,685,000,000. The proportion of lend-lease exports to total United States exports has risen from 1% in March, 1941, to 70% in October, 1942.

In the month of October, 1942, approximately 40% of lend-lease exports went to the United Kingdom, 39% to the Middle and Far East and other areas, and 21% to U. S. S. R.

Goods Transferred

Goods transferred come to $5,854,000,000 or 78% of total lend-lease aid.

These transfers fall into three categories:

a) Military items such as planes, tanks, ships, guns, ammunition.

b) Industrial items such as steel, petroleum products, machinery, machine tools.

c) Foodstuffs and other agricultural products.

Starting December 1st transfers are being recorded as the goods are loaded and the figures for goods transferred will, in the future, approximate lend-lease exports. In the past, transfers generally were made to lend-lease countries before goods were loaded aboard ship. Not all goods heretofore recorded as transferred, therefore, have actually been exported. About 10% is still in the country awaiting shipment.

Exports of military items, the President's report stated, have risen much more sharply than exports of non-military items. Only 25% of the $85,000,000 worth of total lend-lease aid exported during September, 1941, for example, consisted of arms, the balance being made up of foodstuffs and industrial materials. In contrast, 56% of the $537,000,000 worth of lend-lease aid exported during October, 1942—the last month for which export figures are available—was comprised of military items.

While total monthly lend-lease exports have increased more than six times, lend-lease exports of military items have increased 14 times. Despite the fact that the percentage of food and industrial materials compared to total exports show a decline, the actual amounts of these articles have increased greatly.

The export figures cited do not include the huge amounts of supplies sent our own forces overseas.

Service Rendered

Until lend-lease supplies reach the place where they are needed they are of no use to our allies. A further consideration of lend-lease aid, therefore, is seeing to it that the materials get to their proper destination. Often transport facilities are primitive and routes extend across jungles, deserts and hitherto inaccessible mountain ranges. As a result, at the receiving ends of many of these lend-lease routes it has been necessary to develop harbors, build and equip docks, warehouses, assembly plants and supply depots. Camel trails have been made over into truck highways and railroad facilities either created or enlarged. Scores of newly developed airfields are way-stations on the bomber-ferry routes. American participation with the Russians, the British, and other allies in this development program has been carried out in important measure through lend-lease.

Services rendered, the President's report stated, total $1,642,000,000 or about one-fifth of total lend-lease aid. About 50% of these expenditures for services is for shipping and supply services—mostly for the rental and charter of ships to carry the goods and the balance to develop and operate air ferry routes and supply bases abroad.

Another 15% of the funds spent for services has been used to repair in our own yards hundreds of allied merchant and naval vessels damaged by enemy action.

The balance of 35% of services rendered represents expenditures for production facilities—factories and shipyards—built in the United States to manufacture certain types of lend-lease articles.

Following is the text of the President's letter of transmittal to Congress:

"To the Congress of the United States of America:

"I am transmitting herewith the seventh quarterly report of operations under the Lend-Lease Act.

"Since the last report, the war has entered a new phase. United Nation's forces attacking from Egypt and North Africa are contesting with the Axis for control of the African coast line of the Mediterranean. The Soviet Army, hkaving held with stubborn bravery at Stalingrad, has now assumed the offensive. The Japanese have been recklessly expending ships and men in the Solomons, a battleground of our own choosing.

"The Axis powers have, temporarily at least, lost the initiative. We must do all we can to keep them from regaining it.

"We must bring the full strength of all the United Nations to bear directly against the enemy. We must bring together our joint productive capacity and our material resources, our finished munitions and our fighting man power; and we must do this in accordance with a single world strategy. That we are making good progress in this direction I think is shown by recent developments, and by this report on the part played by lend-lease.

"We also have another task, which will grow in magnitude as our striking power grows, and as new territories are liberated from the enemy's crushing grip. That task is to supply medicines, food, clothing and other dire needs of those peoples who have been plundered, despoiled and starved.

"The Nazis and Japanese have butchered innocent men and women in a campaign of organized terror. They have stripped the lands they hold of food and other resources. They have used hunger as an instrument of the slavery they seek to impose.

"Our policy is the direct opposite. United Nations' forces will bring food for the starving and medicine for the sick. Every aid possible will be given to restore each of the liberated countries to soundness and strength, so that each may make its full contribution to United Nations' victory, and to the peace which follows."

Franklin D. Roosevelt

The White House, Dec. 9, 1942.

Hoover Criticizes Food Control System

Former President Herbert Hoover on Dec. 17 criticized the present system of price control, particularly as it relates to food, and said it should be scrapped in favor of a plan to apply price ceilings only at production levels, a plan which he said proved effective in the last war.

Mr. Hoover, in an interview in Chicago, according to the New York "Herald Tribune," cited the present complex system of fixing prices at wholesale and retail levels, while production costs are largely ignored, as just one example of how the Administration has failed to take advantage of the experiences and lessons of the last war.

The "Herald Tribune" further reported:

He cited the recent appointment of administrators of food, man power and oil as an indication that "after nearly two years of trying to invent something new Washington seems to be going back to the experiences of the first World War."

"The Administration has been moving in the right direction in the last two month, but it isn't moving fast enough," he added.

Mr. Hoover, who was food administrator in the last war, noted on the subject of price control that the system now in effect was considered in 1917 and rejected. The plan had already been tried then by every major power in Europe, and the men responsible for the American war program realized that it had created "a debacle," he said.

As a result, he said, the new plan was devised whereby maximum prices were fixed on about 20 foods which made up 95% of the nation's diet. The ceilings were applied "as close to the source as possible," etiher at the farm or at processing and packing plants.

"We then limited retailers to an over-all markup of about 20% on these products," he continued. "If a butcher wanted to charge $10 a pound for steak, we didn't care. He would then have to cut the price of roasts to stay within his 20% margin.

"Price control under that system was easy to police. All we had to do was check up every month on how much a merchant had spent for his goods and how much he had taken in selling them.

"Instead of such a simple system, we now have to fix exact prices for hundreds of products and articles and get out directives with as many as 52,000 words like one that was sent recently to butchers." . . .

Although he praised the appointment of a Food Administrator for this war, Mr. Hoover asserted that this action should have been taken in 1940 and predicted that even now the Food Administration will fail unless it also receives control over prices.

"I don't see how Secretary Wickard can act competently as Wood Administrator unless he has the power over prices that is still in the hands of Mr. Henderson," he said.

In the last war, as Food Administrator, he had complete control over production, distribution, prices and purchasing for the Army, Navy and our Allies, Mr. Hoover pointed out. By comparison, he said, Mr. Wickard is now working "without sufficient authority."

Asserting that the nation's primary food problem now is "to stimulate production of livestock and crops with all our might," he urged that farmers receive more assurance of labor supply, machinery and, possibly, increased prices.

"An increase of only one cent a pound on meat, for instance, makes a great difference to farmers, he said: "It is possible to make prices highly stimulative to agriculture without raising prices to consumers very much."

"All this has a bearing on the question of feeding the world after the war," he added. "Unless we can produce reserves of food here we can't think of feeding all these people.

"We had 17,000,000 tons of food reserves ready to send to Europe when the armistice was signed in 1918. We did it by stimulating farm production and voluntarily restricting consumption. We're not in a position today to undertake anything like that."

Zinc-Saving Program OK'd

The Conservation Division of the War Production Board approved on Dec. 17 recommendations adopted by the Advertising Club of Washington for reducing the use of zinc in engravings designed for newspaper use. The WPB announcement said, in part:

"If this program for zinc conservation is followed by all newspaper artists, advertising copywriters, and production men, it was said, they will have made a most significant contribution to the war effort. Conservation of material is often achieved simply by applying keen thought to a limitation order. The Advertising Club of Washington and cooperating newspaper publishers are to be congratulated for the intelligent and constructive conservation effort that this program represents.

"The 12-point zinc-saving program stresses common-sense conservation measures, such as standardizing signatures and trademarks for continuous use, eliminating designed art borders, and making use of paper mats from mat services or newspapers.

"The present WPB Printing and Publishing Order M-99, which prompted the adoption of the zinc saving program, called for a 25% reduction in the use of zinc by commercial and newspaper engraving plants, effective Nov. 16, 1942, and requires a 50% reduction beginning Feb. 15, 1943. The reductions are based on the amount of zinc used by the photo-engraving makers during corresponding quarters of 1941.

"Increasing need for zinc in the manufacture of small arms ammunition and other essential military items is behind the WPB order cutting the non-essential uses of this highly critical metal in photo-engraving and other industries.

"The 12-point zinc-saving program adopted by the Board of Directors of the Advertising Club of Washington can be put into operation immediately throughout the entire United States, points out WPB. It represents a consensus of newspaper advertising executives, advertising agencies, department, food and specialty store advertising managers, and radio stations."

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
1942—Week Ended—					
Sept. 5	129,486	124,580	218,539	78	87
Sept. 12	106,933	101,891	222,636	65	86
Sept. 19	138,477	132,212	228,355	81	86
Sept. 26	129,503	131,173	224,926	78	86
Oct. 3	144,506	133,513	236,208	80	86
Oct. 10	147,437	131,961	248,026	80	86
Oct. 17	152,644	134,197	261,871	79	85
Oct. 24	150,133	136,249	275,139	81	85
Oct. 31	138,423	138,262	272,006	84	85
Nov 7	157,919	138,492	291,780	84	85
Nov. 14	147,815	137,355	301,088	83	85
Nov. 21	146,335	133,188	310,439	83	85
Nov. 28	136,655	124,461	321,885	77	85
Dec 5	150,132	130,761	340,203	82	85
Dec. 12	151,085	137,856	350,011	84	85

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders

Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of $260,600,000 of open market paper outstanding on Nov. 31, 1942, the Reserve Bank announced on Dec. 16. This was the ninth successive monthly decline. The total outstanding for Nov. 30 compares with $271,400,000 on Oct 31, 1942, and with $387,100,000 on Nov. 29, 1941.

Following are the totals for the first two years:

1942—	$	1941—	$
Nov. 30	260,600,000	Nov. 29	387,100,000
Oct. 31	271,400,000	Oct. 31	377,700,000
Sept. 30	281,800,000	Sept. 30	370,500,000
Aug. 31	297,200,000	Aug. 30	353,900,000
July 31	305,300,000	July 31	329,900,000
June 30	315,200,000	June 30	299,000,000
May 29	354,200,000	May 31	295,000,000
Apr. 30	373,100,000	Apr. 30	274,600,000
Mar. 31	384,300,000	Mar. 31	263,300,000
Feb. 28	388,400,000	Feb. 28	240,700,000
Jan. 31	380,600,000	Jan. 31	232,400,000
1941—		1940—	
Dec. 31	374,500,000	Dec. 31	217,900,000

"Gas" And Fuel Oil Priorities Fixed For Four Essential Groups—Public To Get Balance

Petroleum Administrator Harold L. Ickes on Dec. 21 established gasoline and fuel oil quotas for all East Coast petroleum product primary distributors and set up a list of four users, headed by the military establishments, which are to get first call on available supplies. Other users will get what is left.

The following order of priority was issued by Mr. Ickes, applicable to all petroleum products:

1. The construction, production, manufacturing, processing, fabricating or storage and the transportation of persons or materials to the extent, but only to the extent, that any such operations are indispensable for supplying any material or equipment ordered by or on behalf of the armed forces of the United States, War Shipping Administration, United States Maritime Commission, or the Office of Lend-Lease Administration.
2. Public utilities.
3. Public Transportation and communication systems including the United States mail.
4. Services indispensable to the public health and safety.

James F. Byrnes, Director of Economic Stabilization, stated that he could "hold out no hope for any lessening of the restrictions upon the use of gasoline and fuel oil," but that steps would be taken to increase the petroleum supply and "to improve rationing methods."

Despite a two-day ban on gasoline sales to holders of A, B and C rations and devaluation of B and C coupon types from four to three gallons, the gasoline shortage in the New York City area continued acute.

No. 3 Fuel Oil Coupons Valid In Emergency

Consumers who have used up their fuel-oil supplies and have no more Period 2 coupons left may draw on their Period 3 rations if they apply or have already applied for a review of their rations. The Period 3 coupons normally would not be valid until Jan. 6, but will be exchanged for undated coupons worth ten gallons each.

Consumers who have deposited their ration coupons with their dealers should authorize the dealers to act for them, in order to relieve pressure on the ration boards. A letter to a dealer is sufficient application for a review of a consumer's rations, and dealers are asked to submit the applications to the boards in bulk.

Consumers who hold their own coupons may deal directly with the local boards. The boards have been swamped with appeals because of the cold weather.

Coal and Oil Heating Stoves Rationed

Coal and oil heating stoves for private dwellings in the 30-State fuel oil rationing area were rationed beginning Dec. 18, under an emergency request received on Dec. 15 by the Office of Price Administration from the War Production Board.

The program virtually suspends sales of oil heaters in the 30-State fuel rationing area, but makes coal heaters freely available to those householders who wish to convert from oil to coal.

New cooking stoves, new stoves designed to burn wood exclusively, and used stoves are not affected by the emergency rationing order.

Primarily eligible to buy a coal heater under the emergency order are householders who will use the new stove to replace oil-fired heating equipment. These persons merely are required to obtain a purchase certificate from their local War Price and Rationing Board and surrender their unused and unexpired fuel oil ration coupons.

"This is a unique rationing program," Price Administrator Leon Henderson said. "Instead of asking the public to refrain from buying or limiting its purchases severely, we are making coal heaters available to everyone who can use one and who is eligible under the program."

Restrictions on the sale of oil-burning stoves are severe. Issuance of purchase certificates will be limited to those householders who are replacing oil-burning equipment that is beyond repair and who, in addition, can satisfy the board that no one in the household is physically able to operate coal-burning equipment.

NY Victory Group Sells 45% of Dec. Total

Sales of Government securities in the New York Federal Reserve District in the December Victory Loan campaign amounted to $4,765,288,668 as of the close of business on Dec. 19, according to an announcement made Dec. 21 by Allan Sproul, Chairman of the New York Victory Fund Committee, and Perry E. Hall, Executive Manager of the group. The sales total for the nation up to Dec. 19 was $10,229,000,000, as is noted elsewhere in today's columns. Of the total reported for the New York District, an estimated $1,598,331,500 went to commercial banks, including Treasury bill sales of $200,000,000, while $3,061,957,168 represented sales of all types of securities to others than commercial banks, excluding sales of tax savings notes of $105,000,000 on Nov. 30.

The Committee said that subscriptions in the New York District had passed 47,000.

The sales total for the nation and this district follows:

	Nation	District
Sales to comm'l banks:		
Treasury bills	$500,000,000	*200,000,000
1¾% bonds	2,058,000,000	651,331,500
⅞% certif.	2,030,000,000	747,000,000
	$4,588,000,000	$1,598,331,500
Sales to others:		
⅞% certif.	$1,294,000,000	$799,845,000
1¾% bonds	809,000,000	510,080,500
2½% bonds	2,528,000,000	1,480,004,500
Tax notes	480,000,000	174,623,050
E, F & G bds.	530,000,000	97,404,118
	$5,641,000,000	$3,061,957,168
Grand tot.	$10,229,000,000	$4,660,288,668
Tax notes Nov. 30		$105,000,000
		$4,765,288,668

*Estimate.

Included in the figure for sales of savings bonds in this district are sales of $57,000,000 of Series E bonds, and the credit for these sales goes to the New York War Savings Staff.

Opening of the New York Victory Fund drive was reported in these columns of Dec. 3, page 1968.

'Gas' Mileage Change Made in Rationing

The Office of Price Administration on Dec. 9 reduced the occupational mileage deemed available in the basic "A" gasoline ration books before a driver is eligible for supplementary rations. The action was taken to assure Eastern motorists their necessary occupation mileage despite the cut on Nov. 22 in the value of "A" coupons from four to three gallons.

In Amendment 4 to the new gasoline rationing regulations (Ration Order 5C), which became effective Dec. 15, OPA makes holders of the basic "A" ration in States where the "A" coupon is worth only three gallons eligible for supplemental rations if they prove need for more than 90 miles of occupational driving a month. Previously, holders of "A" books were required to use 150 miles a month of their "A" book mileage for occupational purposes, before they became eligible for supplemental rations.

Steel Operations Off Slightly—Demand Still At High Rate—Scrap Supply Tightens

"There is expected to be no important change in OPA price control policy governing basic products such as iron and steel, ore, scrap and metal-working machinery," states "The Iron Age" in its issue of today (Dec. 24.), further adding in part: "Whatever may be the scale of expected reorganization of the huge, sprawling OPA, there is rather general agreement that price policy over these products has been soundly and ably administered. Considered against complexities surrounding price control of these products, kinks that developed have been relatively few. For the most part they have been ironed out satisfactorily.

"Unless strikes, sabotage or other factors grow to an unexpected degree, the steel industry may be expected to deliver 33,250,000 tons of rolled and other finished steel products in the first six months of 1943.

"Such an increase in finished steel production would mean that steel consumers will receive 1,000,000 tons more in the first half of next year than in the like period this year and suggests that the supply of steel next year will be more than adequate for all direct war needs. In addition, there is likely to be more steel available for essential industries such as railroads, whose consumption has been restricted by the WPB.

"Non-essential users of steel, however, should not build hopes that any metal will be available for them in any measurable period. Many must wait for the end of the war.

"As in 1942, shipbuilding will remain the largest consumer of steel, possibly taking 6,500,000 tons in the first half or about 80% more than was taken in the first half of 1942. While the revised program for shipbuilding for next year is double that of 1942, tonnage of steel to be sent to shipyards is unlikely to increase as fast as ship production itself since inventories at some yards are known to be substantial.

"Second largest consumer of steel will be the steel converting and processing industries, including manufacturers of wire and wire products, forgings and steel foundries, which are likely to take about 3,900,000 tons, or close to 7% more.

"Most steel plants will melt Christmas Day. Even in the case of finishing mill operations, considerable activity will continue through the week, especially on such items as plates and forging bars.

"While there have been some suspensions and cancellations of certain steel product orders because of changes in specific war programs, increased demand from other sections of Government departments seems to have offset any decline in total steel demand. Although certain war items are being ordered in less volume, some companies in the past few weeks report an increase in total of orders."

The American Iron and Steel Institute on Dec. 21, announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.1% of capacity for the week beginning Dec. 21, compared with 98.4% one week ago, 98.3% one month ago and 93.4% one year ago. This represents a decrease of 0.3 point or 0.3% from the preceding week. The operating rate for the week beginning Dec. 21 is equivalent to 1,678,200 tons of steel ingots and castings, compared to 1,683,300 tons one week ago, 1,681,600 tons one month ago, and 1,543,100 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on Dec. 21, stated in part: "Except for alloy steels, cold-drawn bars and large bar rounds pressure is off most steel products. New buying is spotty, requests are being made to hold up shipments and some cancellations are being filed.

"Suspensions have been asked in plates, small bars, sheets, shapes and some other items. These suspensions are attributed not only to lack of urgent need but also to the fact that inventories have reached a point where further supply is not needed. In a few isolated instances tonnage placed months ago has appeared suddenly, after the need had passed. Some jobbers recently have received shipments of specifications which would have been most desirable a few weeks ago but which now may take considerable time to move, so rapid is the change in demand under present conditions.

"Outright cancellations are less numerous but still in evidence. Some doubtless are due to orders placed with more than one seller, first shipment being accepted and others revoked. Better delivery promise by another mill is another cause. Earlier in the fall widespread cancellations followed drastic cuts in PRP quotas. Then and more recently considerable tonnage has been wiped off books, due to changes in the armament program and further such action is expected over coming weeks.

"Sheet deliveries average about eight weeks, with some mills able to offer six to seven weeks, all on top priorities. Hot carbon bars may be obtained in about eight weeks on small sizes and 14 to 16 weeks on larger rounds. Shapes are easiest, available in four weeks in some instances.

"Preparations are under way to provide heavier output of plates in 1943, to support an enlarged shipbuilding program. More steel will be channeled to plate mills to provide ship material. Restrictions on use of plates in other fabrications has cut miscellaneous demand to a low point, thus improving the situation.

"Indications are appearing that the scrap scarcity may develop before midwinter. The bottleneck is inability of scrap yards to collect and prepare the tonnages gathered at various centers in the fall salvage drive, as trucks and man-power are lacking.

"Great Lakes navigation season has closed with a total of 92,076,781 gross tons of iron ore delivered at lower lake ports, surpassing the best prior record, that of 1941, by 11,960,421 tons, 14.93%. December shipments were cut short by adverse weather conditions and only 635,829 tons were loaded, 199,252 tons less than in December last year. This was a loss of 25.86%. Reserves at furnaces and on docks are larger than last year and are deemed sufficient for winter demand at the high steelmaking rate now current.."

US-Uruguay Trade Accord

Secretary of State Hull and Juan Carlos Blanco, Uruguayan Ambassador, on Dec. 2, exchanged in Washington, documents of ratification for the reciprocal trade agreement, which was signed in Montevideo on July 21. Under the terms of the agreement, which provides for non-discriminatory exchange of products between the two countries, the accord will become effective 30 days from Dec. 2.

The trade agreement was mentioned in these columns July 23, page 275.

Trading On New York Exchanges

The Securities and Exchange Commission made public on Dec. 18, figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Dec. 5, 1942, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Dec. 5 (in round-lot transactions) totaled 841,895 shares, which amount was 13.15% of total transactions on the Exchange of 3,199,560 shares. This compares with member trading during the previous week ended Nov. 28 of 791,985 shares, or 13.88% of total trading of 2,851,830 shares. On the New York Curb Exchange, member trading during the week ended Dec. 5 amounted to 170,880 shares, or 15.10% of the total volume of that Exchange of 598,760 shares; during the preceding week trading for the account of Curb members of 150,120 shares was 14.73% of total trading of 509,405 shares.

The Commission made available the following data for the week ended Dec. 5:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	954	658
1. Reports showing transactions as specialists	170	90
2. Reports showing other transactions initiated on the floor	127	28
3. Reports showing other transactions initiated off the floor	189	85
4. Reports showing no transactions	538	527

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED DEC. 5, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	51,230	
‡Other sales	3,148,330	
Total sales	3,199,560	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	224,260	
Short sales	36,210	
‡Other sales	175,490	
Total sales	211,700	6.81
2. Other transactions initiated on the floor—		
Total purchases	91,100	
Short sales	7,100	
‡Other sales	106,040	
Total sales	113,140	3.19
3. Other transactions initiated off the floor—		
Total purchases	88,320	
Short sales	2,475	
‡Other sales	110,900	
Total sales	113,375	3.15
4. Total—		
Total purchases	403,680	
Short sales	45,785	
‡Other sales	392,430	
Total sales	438,215	13.15

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED DEC. 5, 1942

	Total for Week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	4,705	
‡Other sales	594,055	
Total sales	598,760	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	48,320	
Short sales	4,005	
‡Other sales	65,320	
Total sales	69,325	9.82
2. Other transactions initiated on the floor—		
Total purchases	8,100	
Short sales	0	
‡Other sales	4,175	
Total sales	4,175	1.02
3. Other transactions initiated off the floor—		
Total purchases	27,185	
Short sales	600	
‡Other sales	23,175	
Total sales	23,775	4.26
4. Total—		
Total purchases	83,605	
Short sales	4,605	
‡Other sales	92,670	
Total sales	97,275	15.10
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	53,672	
Total purchases	53,672	
Total sales	18,832	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Cottonseed Receipts In November

On Dec. 14 the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the four months ended with November, 1942 and 1941:

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State—	Received at mills* Aug. 1 to Nov.30 1942	Received at mills* Aug. 1 to Nov.30 1941	Crushed Aug. 1 to Nov. 30 1942	Crushed Aug. 1 to Nov. 30 1941	On hand at mills Nov. 30 1942	On hand at mills Nov. 30 1941
United States	3,709,660	3,091,212	2,074,795	1,783,102	1,713,636	1,438,639
Alabama	214,925	156,892	140,710	114,980	77,548	53,085
Arizona	32,160	45,545	20,544	31,265	12,007	14,497
Arkansas	413,427	423,005	189,660	201,831	235,642	246,104
California	68,062	89,735	32,870	43,946	36,367	52,284
Georgia	26,058	158,520	200,754	137,876	69,361	39,560
Louisiana	146,831	73,902	106,485	61,111	41,090	13,317
Mississippi	696,150	510,897	303,650	260,070	398,741	254,853
North Carolina	205,459	168,619	120,230	102,188	88,340	76,167
Oklahoma	180,723	178,312	101,732	110,671	83,455	68,173
South Carolina	155,241	74,443	118,590	60,738	36,598	16,713
Tennessee	344,418	365,142	151,433	159,704	202,172	226,106
Texas	862,712	720,880	536,476	440,696	359,191	307,373
All other States	123,494	125,320	51,661	58,026	73,124	70,402

*Does not include 81,928 and 130,529 tons on hand Aug. 1 nor 24,115 and 23,232 tons reshipped for 1942 and 1941 respectively. Does include 3,157 tons destroyed in 1942.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item	Season	On hand Aug. 1	Produced Aug. 1 to Nov. 30	Shipped out Aug. 1 to Nov. 30	On hand Nov. 30
Crude oil	1942-43	*34,460	639,972	586,536	*157,849
(thousand pounds)	1941-42	29,708	550,738	488,840	158,692
Refined oil	1942-43	†310,191	‡464,904	------	†254,713
(thousand pounds)	1941-42	294,005	384,063	------	276,583
Cake and meal	1942-43	190,100	913,129	985,451	117,778
(tons)	1941-42	164,444	778,187	585,761	356,870
Hulls	1942-43	44,118	500,716	472,470	72,364
(tons)	1941-42	151,439	447,843	354,972	244,310
Linters	1942-43	43,295	617,864	512,432	148,727
(running bales)	1941-42	123,154	514,586	499,854	137,886
Hull fiber	1942-43	229	12,584	10,651	2,162
(500-lb. bales)	1941-42	1,834	14,681	13,833	2,682
Grabbots, motes, &c.	1942-43	23,644	24,793	15,584	32,853
(500-lb. bales)	1941-42	6,183	21,953	11,883	16,253

*Includes 24,484,000 and 73,000,000 pounds held by refining and manufacturing establishments and 2,118,000 and 23,555,000 pounds in transit to refiners and consumers Aug. 1, 1942 and Nov. 30, 1942 respectively.

†Includes 3,620,000 and 2,847,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing establishments and 1,389,000, and 2,525,000 pounds in transit to manufacturers of shortening, oleomargrine, soap, etc. Aug. 1, 1942 and Nov. 30, 1942 respectively. Does not include winterized oil.

‡Produced from 496,936,000 pounds of crude oil.

Exports and Imports of Cottonseed Products

In the interest of national defense, the Department of Commerce has discontinued until further notice the publication of statistics concerning imports and exports.

Nov. Department Store Sales In New York Federal Reserve District 7% Above Year Ago

The Federal Reserve Bank of New York announced on Dec. 17 that November sales of department stores in the Second (New York) Federal Reserve District increased 7% above a year ago. The combined sales for January through November were also 7% above the same period last year. Stocks of merchandise on hand in department stores at the end of November were 13% higher than November, 1941.

The apparel stores in the New York Reserve District reported a gain of 8% in net sales in November. Their stocks on hand at the close of the month were 7% above last year.

The following is the bank's tabulation:

DEPARTMENT STORE TRADE BY MAJOR LOCALITIES: NOVEMBER, 1942

Second Federal Reserve District

	Percentage Changes from a Year Ago		
	Net Sales		
Department Stores—	November	January through November	Stock on Hand End of Month
New York City	+ 6	+ 6	+16
Northern New Jersey	+ 2	+ 4	+12
Newark	+ 4	+ 6	+13
Westchester and Fairfield Counties	+12	+12	+ 4
Bridgeport	+11	+14	+ 3
Lower Hudson River Valley	+ 3	+ 4	— 5
Poughkeepsie	+ 3	+ 7	—
Upper Hudson River Valley	— 2	— 1	— 2
Albany	+ 3	+ 7	--
Central New York State	+12	+12	+ 8
Mohawk River Valley	+16	+24	+28
Syracuse	+10	+ 8	+ 2
*Northern New York State	— 1	— 4	--
Southern New York State	+12	+ 9	+13
Binghamton	+11	+ 7	--
Elmira	+ 8	+12	--
*Western New York State	+19	+13	+ 7
Buffalo	+25	+15	+ 9
*Niagara Falls	+36	+36	+ 6
Rochester	+10	+ 9	+ 5
*All department stores	+ 7	+ 7	+13
*Apparel stores	+ 8	+ 7	+ 7

*Subject to possible revision.

Four Saturdays, 1942; five Saturdays, 1941.

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
Second Federal Reserve District
[1923-25 average = 100]

	1941 November	1942 September	1942 October	1942 November
Sales (average daily), unadjusted	130	120	130	144
Sales (average daily), seasonally adjusted	109	112	115	121
Stocks, unadjusted	132	161	158	151
†Stocks, seasonally adjusted	115	156	145	134

†Revised.

Naval Heroes Honored

President Roosevelt on Dec. 9 made posthumous awards of the Congressional Medal of Honor to the families of Rear Admirals Daniel J. Callaghan and Norman Scott, who were killed in the naval battle of the Solomon Islands last month. The President signed the citation for a medal to Commander Bruce McCandless, who took command of the cruiser San Francisco after Admiral Callaghan and Captain Cassin Young were killed. In each case the President cited the officers "for extraordinary heroism and conspicuous intrepidity above and beyond the call of duty during action against the enemy Japanese forces off Savo Island."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Dec. 18 a summary for the week ended Dec. 12, 1942, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Dec. 12, 1942

	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of Orders	14,336
Number of Shares	398,554
Dollar Value	14,190,034
Odd-lot Purchases by Dealers— (Customers' Sales)	
Number of Orders:	
Customers' short sales	68
*Customers' other sales	18,863
Customers' total sales	18,931
Number of Shares:	
Customers' share sales	2,046
*Customers' other sales	503,306
Customers' total sales	505,352
Dollar Value	13,201,511
Round-lot Sales by Dealers—	
Number of Shares:	
Short sales	140
†Other sales	191,840
Total sales	191,980
Round-lot Purchases by Dealers—	
Number of Shares	104,800

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Threat Of Post-War Regimentation Seen

William Witherow, President of the National Association of Manufacturers, said on Nov. 16 that a "new order" movement in the United States may seek to regiment industry after the war.

Speaking at a war rally of industrial magazine editors at Pittsburgh, Mr. Witherow asserted that there are "certain parts" of the Federal Government "whose tendency appears to encompass regimentation following, as well as during, this war."

In reporting his remarks, the Associated Press said:

"It is up to industry," he said, "to break through this cloud of uncertainty that obscures the future and true meaning of free enterprise—to counter with everything that yet remains in our hands the misuse and the continuance of Government control after the war is over and the need for it no longer exists."

He added that Government control was necessary during wartime "to assure that those things are made which need to be made and that material is available."

Industry has been able to reach a "fantastic" volume of production under wartime control, he said, only because it had been free to exercise initiative in peacetime. He said it was "fortunate" that control had not been so extended as to interfere with the authority and responsibility of management in actual production.

Patriotism has, in effect, substituted for the profit motive as the driving force in all things managers do, he said. "When the drama of war is past," he continued, "the time will come when patriotism is no longer stimulated by the present emotional impulses."

If centralized planning and control then are accepted as "the new order, there will be no turning back," he said, because "the forces that have made for industrial progress throughout our history will be lost in a maze of Government bureaucracy."

Bankers' Dollar Acceptances Outstanding On November 30 Decline To $116,067,000

The volume of bankers' dollar acceptances outstanding on Nov. 30 totaled $116,067,000, a decrease of $2,514,000 from the Oct. 31 figure and a new low for the last 25 years, according to the monthly report issued Dec. 14 by the Acceptance Analysis Unit of the Federal Reserve Bank of New York. The total amount of acceptances outstanding on Nov. 30 was $77,523,000 below a year ago.

The Nov. 30 figures show that only import credits and domestic warehouse credits were lower than a month ago, but in the comparison with a year ago only credits for domestic shipments and those based on goods stored in or shipped between foreign countries were higher.

The Reserve Bank's report follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES
BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	Nov. 30, 1942	Oct. 31, 1942	Nov. 29, 1941
1 Boston	$20,223,000	$19,885,000	$22,031,000
2 New York	66,732,000	71,430,000	124,414,000
3 Philadelphia	7,043,000	7,233,000	10,448,000
4 Cleveland	2,363,000	2,853,000	2,951,000
5 Richmond	1,412,000	1,413,000	1,636,000
6 Atlanta	1,689,000	1,264,000	1,430,000
7 Chicago	4,952,000	4,864,000	4,585,000
8 St. Louis	277,000	261,000	744,000
9 Minneapolis	57,000	67,000	168,000
10 Kansas City	------	------	------
11 Dallas	212,000	143,000	2,806,000
12 San Francisco	11,107,000	9,168,000	22,377,000
Grand Total	$116,067,000	$118,581,000	$193,590,000

Decrease for month $2,514,000 Decrease for year $77,523,000

ACCORDING TO NATURE OF CREDIT

	Nov. 30, 1942	Oct. 31, 1942	Nov. 29, 1941
Imports	$57,466,000	$60,266,000	$115,699,000
Exports	6,404,000	5,903,000	13,544,000
Domestic shipments	12,895,000	12,553,000	11,394,000
Domestic warehouse credits	26,510,000	27,737,000	36,095,000
Dollar exchange	319,000	263,000	4,506,000
Based on goods stored in or shipped between foreign countries	12,473,000	11,859,000	11,852,000

BILLS HELD BY ACCEPTING BANKS

Own Bills $61,025,000 Bills of Others $28,769,000 Total $89,794,000
Decrease for month $4,040,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES DEC. 14, 1942

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	1/2	7/16
60	1/2	7/16
90	1/2	7/16
120	9/16	1/2
150	5/8	9/16
180	5/8	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since Dec. 30, 1939:

1939—		1940—		1941—	
Dec. 30	$232,644,000	Dec. 31	$208,659,000	Dec. 31	$194,220,000
1940—		1941—		1942—	
Jan. 31	229,230,000	Jan. 31	212,777,000	Jan. 31	197,278,000
Feb. 29	233,015,000	Feb. 28	211,865,000	Feb. 28	190,010,000
Mar. 30	229,705,000	Mar. 31	217,312,000	Mar. 31	182,675,000
Apr. 30	223,305,000	Apr. 30	219,561,000	Apr. 30	177,293,000
May 31	213,685,000	May 31	215,005,000	May 29	173,906,000
June 29	206,149,000	June 30	212,932,000	June 30	162,849,000
July 31	188,350,000	July 31	209,899,000	July 31	156,302,000
Aug. 31	181,813,000	Aug. 30	197,472,000	Aug. 31	139,304,000
Sept. 30	176,614,000	Sept. 30	176,801,000	Sept. 30	123,494,000
Oct. 31	186,786,000	Oct. 31	184,806,000	Oct. 31	118,581,000
Nov. 30	196,683,000	Nov. 29	193,590,000	Nov. 30	116,067,000

Retail Food Costs Advanced 1.2% Between Mid-Oct. & Mid-Nov., Labor Dept. Reports

The average family food bill rose by 1.2%, between Oct. 13 and Nov. 17, Secretary of Labor Perkins reported on Dec. 12. Most of this increase was in prices of the fresh fruits and vegetables and fresh fish, which are not under direct control by the Office of Price Administration. These advanced by an average of 6.6%, and are now selling 21% higher than in May of this year. Food prices under direct control of the OPA advanced 0.5% over the month, as quotations moved up for a number of products whose prices have recently been adjusted under OPA regulations, such as lard, canned fruits and vegetables and canned fish. Prices also increased for eggs and butter, brought under OPA control on Oct. 5. According to the Department the retail cost of food is now 7.8% above mid-May of this year, just preceding the effective date of the General Maximum Price Regulation. The following table shows the percentage change from October to November, and from May to November of this year, and the relative importance in the food budget for various groups of foods controlled by OPA and those not under direct OPA control.

Group	Percentage Change Oct. 13 to Nov. 17	Percentage Change May 12 to Nov. 17	% of Total Family Food Bill
ALL FOODS	+ 1.2	+ 7.8	100
Controlled by OPA on Nov. 17	+ 0.5	+ 6.3	89
*Under March ceilings	+ 0.2	+ 1.4	47
Ceiling adjustments permitted in October	+ 1.1	+ 2.0	13
Under price freeze of Oct. 5	+ 0.8	+17.6	29
Uncontrolled by OPA on Nov. 17	+ 6.6	+21.3	11

*Includes lamb prices, frozen on Aug. 1.

The Labor Department's announcement further stated:

"The index of retail food costs for Nov. 17 stood at 131.1% of the 1935-39 average, the highest point reached since January, 1930. The cost of food is now 16% higher than last year at this time, and has gone up 40% since the outbreak of the war in Europe.

"From mid-October to mid-November the increase in food prices not controlled by OPA was led by greater-than-usual advances for carrots of 21%, and apples of 8%, while lettuce and spinach advanced contra-seasonally with increases of 7% and 8%, respectively. Green beans increased 5%, which is less than the usual seasonal advance. Other foods not under OPA price regulations for which increases were shown over the month were fresh fish 7%, and peanut butter 3%. A seasonal decrease was reported for cabbage, while a decline of 7% in the retail price of sweet potatoes was contra-seasonal, reflecting large declines in farmers' prices since Sept. 15.

"There were also some advances in prices of the 11 foods affected by the new OPA regulation, issued in October, permitting dealers to use as a ceiling either the highest selling prices prevailing in March, or a fixed percentage markup over the purchase price. Among these foods. lard, on which the new type of markup ceiling is mandatory, rose 6.4%, canned vegetables 1.6%, pink salmon 0.9%. There were minor increases for vegetable shortening and sugar. Decreases were reported for coffee and prunes. (Markup ceiling on prunes is mandatory.)

"Price increases for foods controlled by other OPA regulations included advances for meats, ranging from 0.1% for beef and veal to 0.8% for lamb; 1.4% for canned fruits, and minor increases for potatoes, oranges, cheese and flour. Among those prices affected by the OPA freeze of Oct. 5, there were increases of 1% for butter and eggs.

"Of the 51 cities included in the index, 40 reported increases and 11 showed decreases in average food costs. All cities surveyed in the New England, Middle Atlantic, Mountain and Pacific areas reported increases, while all cities surveyed in the West South Central area showed decreases because of locally lower prices for fruits and vegetables. San Francisco showed the greatest increse (3.5%), while Dallas and Savannah reported the largest declined (0.8%)."

Index numbers of food costs by commodity groups for Nov. 17, Oct. 13, Sept. 15, May 12 and March 17, 1942, Nov. 18, 1941 and Aug. 15, 1939, are shown in table below:

INDEXES OF RETAIL COSTS OF FOOD BY COMMODITY GROUPS
(Five-Year Average 1935-39 = 100)

Commodity Group	Nov.17 1942*	Oct. 13 1942	Sept. 15 1942	May 12 1942	Mar. 17 1942	Nov. 18 1941	Aug. 15 1939
ALL FOODS	131.1	129.6	126.6	121.6	118.6	113.1	93.5
Cereals and bakery products	105.7	105.7	105.4	105.2	104.8	102.2	93.4
Meats	131.9	131.2	130.6	124.3	120.5	110.4	95.7
Beef and veal	126.6	126.5	126.0	124.1	119.7	112.4	99.6
Pork	124.8	124.4	124.0	123.2	117.5	105.4	88.0
Lamb	134.0	133.0	133.7	118.2	108.7	107.4	98.8
Chickens	133.5	133.0	133.7	113.4	112.2	99.4	94.6
Fish, fresh & canned	177.9	172.8	168.2	150.9	158.9	135.9	99.6
Dairy products	131.8	131.2	127.7	123.3	121.7	120.9	93.1
Eggs	166.3	†164.7	155.2	115.4	112.1	146.1	90.7
Fruits & vegetables	141.5	†137.1	129.7	128.7	123.4	110.3	92.4
Fresh	144.6	139.3	130.3	130.0	123.7	111.2	92.8
Canned	126.9	125.0	123.8	122.7	120.3	105.2	91.6
Dried	149.7	†149.9	143.4	131.2	127.9	116.2	90.3
Beverages	124.6	124.1	123.8	124.6	119.6	112.9	94.9
Fats and oils	124.3	121.2	120.7	122.4	116.8	106.7	84.5
Sugar	127.0	126.9	127.0	127.1	128.5	112.9	95.6

*Preliminary. †Revised.

November Shipments By Subsidiaries of U. S. Steel Corp. Higher Than Same Month Last Year

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation for the month of November, 1942, amounted to 1,665,545 net tons, as compared with 1,787,501 net tons in the preceding month, a decrease of 121,956 net tons, and with 1,624,186 net tons in the corresponding month in 1941, an increase of 41,359 net tons.

For the eleven months ended Nov. 30, shipments were 19,214,522 net tons, compared with 18,612,901 net tons in the comparable period of 1941, an increase of 601,621 net tons.

Shipments in November, 1942, were the highest for any November in the history of the corporation. The total for the 11 months was also a record.

In the table below we list the figures by months for various periods since January, 1929:

	1942	1941	1940	1939	1938	1929
January	1,738,893	1,682,454	1,145,592	870,866	570,264	1,364,801
February	1,616,587	1,548,451	1,009,256	747,427	522,395	1,388,407
March	1,780,938	1,720,366	931,905	845,108	627,047	1,605,510
April	1,758,894	1,687,674	907,904	771,752	550,551	1,617,302
May	1,834,127	1,745,295	1,084,057	795,689	509,811	1,701,874
June	1,774,068	1,668,637	1,209,684	607,562	524,994	1,529,241
July	1,765,749	1,666,667	1,296,887	745,364	484,611	1,480,008
August	1,788,650	1,753,665	1,455,604	885,636	615,521	1,500,281
September	1,703,570	1,664,227	1,392,838	1,086,683	635,645	1,262,874
October	1,787,501	1,851,279	1,572,408	1,345,855	730,312	1,333,385
November	1,665,545	1,624,186	1,425,352	1,406,205	749,328	1,110,050
December	------	1,846,036	1,544,623	1,443,969	765,868	931,744
Total by mos.	------	20,458,937	14,976,110	11,752,116	7,286,347	16,825,477
Yearly adjust.	------	*42,000	37,639	*44,865	29,159	*12,827
Total	------	20,417,000	15,013,749	11,707,251	7,315,506	16,812,650

*Decrease.

Note—The monthly shipments as currently reported during the year 1942, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

List Of Special Depositaries Increases— Government Funds Limited to $8,429,017,164

Secretary of the Treasury Morgenthau announced on Dec. 14 that, during the past month, additions to the Treasury's list of Special Depositaries throughout the country, and increases in the qualifications of depositaries previously designated, have brought to $8,429,017,164 the total amount that may be held at any one time by banks and trust companies in behalf of the Government. In making this known the Treasury Department said:

"A special effort in cooperation with the Federal Reserve System added 1,426 new depositaries, qualified to hold $406,748,250, and increased the eligibility of 391 institutions now designated by $1,468,344,900.

"In order to keep the funds raised by sale of Government securities in the communities where raised until actually needed to meet Government payments, the Secretary asked the Federal Reserve Banks to circularize the banks in their districts with a view to having them qualify for use of the "War Loan Accounts" as Special Depositaries. Those taking advantage of this method of participating in Treasury financing are thus able to retain the proceeds of the sales of securities subscribed for their own account and those of their customers until called by the Treasury."

The New York Reserve Bank's circular on this matter was referred to in our issue Dec. 3, page 1992.

The Treasury Department states that the number, by Federal Reserve Districts, of new depositaries, and the amount they are qualified to hold and the increases in previous designations are as follows:

Districts	New Designations No.	New Designations Amount	Increase in Previous Designations No.	Increase in Previous Designations Amount
Boston	70	$36,885,000	23	$81,400,000
New York	93	42,517,500	80	261,905,000
Philadelphia	113	22,174,100	38	23,409,500
Cleveland	152	75,384,000	28	59,810,000
Richmond	103	48,586,000	25	18,667,500
Atlanta	83	17,160,500	35	36,557,500
Chicago	57	68,750,000	25	876,182,250
St. Louis	42	9,490,800	15	9,635,650
Minneapolis	570	57,974,600	54	19,643,000
Kansas City	115	16,890,750	28	1,963,500
Dallas	24	7,035,000	27	69,075,000
San Francisco	4	3,900,000	13	10,096,000
Totals	1,426	$406,748,250	391	$1,468,344,900
Qualifications prior to Nov. 14, 1942	3,313	6,553,924,014		
Total to date	4,739	$8,429,017,164		

December 1 Cotton Report

A United States cotton crop of 12,982,000 bales of 500 pounds gross weight is forecast by the Crop Reporting Board of the United States Department of Agriculture. This is a reduction of 2.6% from the forecast as of November1, and compares with 10,744,000 bales ginned in 1941, 12,566,000 bales in 1940 and 13,109,000 balcs the 10-year (1931-40) average. The indicated yield per acre for the United States of 275.1 pounds, compares with 231.9 pounds in 1941, 252.5 pounds in 1940 and 215.0 pounds the 10-year average.

The acreage of cotton planted (in cultivation on July 1, 1942) of 23,310,000 acres, is 0.8% above 1941, but 25.1% less than the 10-year (1931-40) average. The present figure is 2.9% less than estimated by the Board in July.

The acreage harvested of 22,660,000 acres is 1.9% above 1941. The present estimate is 2.6% less than the September estimate of 23,273,000 acres. Abandonment in 1942, including acreage removed in order to comply with AAA allotments, was 2.8% of the planted acreage, compared with the September estimate of 3.0%.

The acreage of cotton in cultivation on July 1, 1942, was above 1941 in Missouri, Virginia, North Carolina, Tennessee, Oklahoma, Texas and California, and below in the other States. In Georgia, Alabama, and Florida, where there were material increases in the acreage of peanuts, the decrease in cotton acreage was largest. There was a material increase in the acreage of American-Egyptian cotton in Arizona, New Mexico and Texas.

The 1942 crop was grown under relatively favorable conditions, as shown by the yield of 275.1 pounds per acre, which is an all-time record for the United States. Yields were uniformly high, and records were approached in many States. During July, the boll weevil was held in check by above-normal temperatures, and rain fall was sufficient and timely. During August, the crop benefited from unusually favorable rains which removed the threat of drought in a number of States. Prospects during September were reduced by above-normal precipitation and below-average temperatures, which delayed maturity. The crop in Oklahoma and Texas suffered, also, from leaf worm infestation. These factors continued to reduce the final outturn during October. Moreover, there was some loss of mature cotton, because of local scarcities of labor for picking. Additional losses of mature cotton have occurred during November. The crop is latest and the danger of loss of matured cotton greatest in the Western States, where numerous reports of labor scarcity are noted.

Pay On Buenos Aires 4½s

Erlangers, Ltd., London, announce that they have received the requisite funds for the service on Dec. 1, 1942, of the assented bonds of the Province of Buenos Aires 4½% external loan in 1909 (English fraction).

Daily Average Crude Oil Production For Week Ended Dec. 12, 1942 Increased 46,900 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended Dec. 12, 1942 was 3,881,150 barrels, an increase of 46,900 barrels over the preceding week. It was, however, 228,400 barrels per day less than during the corresponding period last year, and 134,750 barrels below the daily average figure for the month of December, 1942 as recommended by the Office of Petroleum Coordinator. Daily production for the four weeks ended Dec. 12, 1942 averaged 3,876,450 barrels. Further details as reported by the Institute follow:

Reports received from refining companies owning 85.8% of the 4,790,000 barrels estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 3,744,000 barrels of crude oil daily during the week ended Dec. 12, 1942, and that all companies had in storage at refineries, at bulk terminals, in transit and in pipelines as of the end of that week, 77,622,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 11,261,000 barrels during the week ended Dec. 12, 1942.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*O.P.C. Recommendations December	*State Allowables Beginning Dec. 1	—Actual Production—			
			Week Ended Dec. 12 1942	Change From Previous Week	4 Weeks Ended Dec. 12 1942	Week Ended Dec. 13 1941
Oklahoma	403,900	403,900	†349,300	—14,650	360,550	410,100
Kansas	300,700	300,700	†284,700	— 1,250	295,350	255,950
Nebraska	3,400	------	†2,900	— 100	3,000	5,150
Panhandle Texas			93,200	+ 1,000	91,250	87,800
North Texas			135,800	+ 250	136,650	139,100
West Texas			208,300	— 600	210,600	290,800
East Central Texas			101,300	+ 1,700	98,100	84,300
East Texas			358,600	+ 1,100	356,400	369,250
Southwest Texas			174,850	+ 650	174,700	215,650
Coastal Texas			313,200	+ 300	313,100	292,000
Total Louisiana	1,350,400	‡1,470,653	1,385,250	+ 4,400	1,380,800	1,478,900
North Louisiana			92,300	— 450	94,600	81,700
Coastal Louisiana			222,600	— 1,100	225,900	276,000
Total Louisiana	326,100	337,600	314,900	— 1,550	320,500	357,700
Arkansas	77,300	73,461	73,600	— 400	73,800	73,600
Mississippi	50,000		†57,600	— 4,900	61,400	75,600
Illinois	274,100		255,250	+ 8,350	255,500	386,650
Indiana	17,700		†16,200	— 100	16,350	18,650
Eastern (Not incl. Ill. & Ind.	107,600		91,700	+ 2,750	91,300	94,550
Michigan	63,800		60,400	+ 1,300	59,750	56,900
Wyoming	94,500		90,200	— 1,750	91,300	86,100
Montana	24,700		22,650	+ 50	22,600	22,600
Colorado	7,000		6,700	— 50	6,650	5,050
New Mexico	99,700	99,700	95,800	--	95,800	117,750
Total East of Calif	3,200,900		3,107,150	— 7,700	3,134,650	3,445,250
California	815,000	§815,000	774,00	+54,600	741,800	664,300
Total United States	4,015,900		3,881,150	+46,900	3,876,450	4,109,550

*O.P.C. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in September, 1942, as follows: Oklahoma 30,200; Kansas 5,100; Texas 104,900; Louisiana 20,500; Arkansas 3,000; Illinois 9,400; Eastern (not including Illinois and Indiana) 9,000; Michigan 100; Wyoming 2,400; Montana 300; New Mexico 6,000; California 42,400.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m., Dec. 9.

‡This is the net basic allowable as of Dec. 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 4 to 16 days, the entire state was ordered shut down for 9 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 9 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED DEC. 12, 1942

(Figures in Thousands of barrels of 42 Gallons Each)

	Daily Refining Capacity		Figures in this section include reported totals plus an estimate of unreported amounts and are —therefore on a Bureau of Mines basis—					
			Crude Runs to Stills					
District—	Potential Rate	% Reporting	Daily Average	% Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,440	88.2	1,696	69.5	5,052	36,821	25,919	15,487
Appalachian	176	84.8	151	85.8	442	2,610	713	376
Ind., Ill., Ky.	804	84.9	757	94.2	2,439	13,481	6,164	2,044
Okla., Kansas, Mo.	416	80.1	361	86.8	1,173	5,805	2,055	1,329
Rocky Mountain	147	48.0	95	64.6	325	1,427	373	525
California	817	89.9	684	83.7	1,830	17,478	12,570	55,024
Tot. U. S. B. of M. basis Dec. 12, 1942	4,790	85.8	3,744	78.2	11,261	†77,622	47,794	74,785
Tot. U. S. B. of M. basis, Dec. 5, 1942	4,800	85.9	3,760	78.3	11,165	75,934	48,663	75,219
U. S. Bur. of Mines basis Dec. 13,1941			4,009		13,854	88,862	53,507	94,386

*At the request of the Office of Petroleum Administration for War. †Finished 68,436,000 barrels; unfinished 9,186,000 barrels. ‡At refineries, at bulk terminals, in transit, and in pipe lines.

Wholesale Commodity Prices Advanced 0.4% In Dec. 12 Week, Labor Bureau Reports

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Dec. 17 that sharp advances in primary market prices for grains, cotton, peanuts, seeds and certain fruits and vegetables brought the Bureau's comprehensive index of nearly 900 price series up 0.4% during the week ended Dec. 12. At 100.5% of the 1926 average the index stands at the highest level reached in over 16 years.

The Bureau's announcement further stated:

"**Farm products and foods**—Average prices for farm products rose 1.3% during the week to the highest point since July, 1925. Grains were up 2%, led by an increase of over 10% for rye, or more than 3% for corn, and of 2% for wheat, with barley up less than 1%. Hog prices advanced approximately 1% during the week ended Dec. 12 following the declines of recent weeks. Ewes were up nearly 5% and live poultry at Chicago over 2%. Steers, on the contrary, declined more than 1.5%. Marked increases were reported in prices for oranges, sweet potatoes, white potatoes, apples and fresh milk at Chicago, and for cotton, peanuts and seeds.

"The index for farm products has risen nearly 21% in the past year, and is 12% higher than for the year 1926.

"Prices for foods rose 0.7% during the week. In addition to an increase of 3.7% for fruits and vegetables, which is partly seasonal in character, meats—largely mutton—advanced 0.5% and dairy products 0.3%. Prices were also higher for flour, corn meal, and peanut butter.

"Advancing prices for bran and middlings brought the index for cattle feed up 4.8%.

"**Industrial commodities**—Very few changes were reported in prices for industrial commodities. Rising quotations for coal continued to reflect the higher transportation costs. Linseed oil advanced 1.5% and soap increased slightly. Prices for butyl alcohol dropped substantially."

The Bureau makes the following notation:

During the period of rapid changes caused by price controls, materials allocation and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for Nov. 14, 1942, and Dec. 13, 1941, and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

						Percentage changes to Dec. 12, 1942 from—		
Commodity groups	12-12 1942	12-5 1942	11-28 1942	11-14 1942	12-13 1941	12-5 1942	11-14 1942	12-13 1941
All commodities	*100.5	*100.1	*100.1	*100.1	93.1	+0.4	+0.4	+ 7.9
Farm products	112.0	110.6	110.8	110.7	92.8	+1.3	+1.2	+20.7
Foods	104.0	103.3	103.6	103.0	90.4	+0.7	+1.0	+15.0
Hides and leather products	118.4	118.4	118.4	118.4	115.4	0	0	+ 2.6
Textile products	96.6	96.6	96.6	96.6	91.0	0	0	+ 6.2
Fuel and lighting materials	80.0	79.8	79.7	79.7	79.0	+0.3	+0.4	+ 1.3
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.4	0	0	+ 0.5
Building materials	110.0	110.0	110.2	110.2	107.8	0	+0.2	+ 2.0
Chemicals and allied products	99.5	99.6	99.5	99.5	91.5	+0.1	0	+ 8.7
Housefurnishing goods	104.1	104.1	104.1	104.1	102.3	0	0	+ 1.8
Miscellaneous commodities	90.3	90.0	89.9	90.0	87.5	+0.3	+0.3	+ 3.2
Raw materials	104.7	103.7	103.8	103.7	91.4	+1.0	+1.0	+14.6
Semimanufactured articles	92.5	92.5	92.5	92.5	90.1	0	0	+ 2.7
Manufactured products	*99.8	*99.7	*99.7	*99.7	94.6	+0.1	+0.1	+ 5.5
All commodities other than farm products	*98.0	*97.8	*97.8	*97.8	93.2	+0.2	+0.2	+ 5.2
All commodities other than farm products and foods	*96.2	*96.1	*96.1	*96.1	93.8	+0.1	+0.1	+ 2.6

*Preliminary.

Non-Ferrous Metals—Allocations For January Copper, Zinc And Lead To Be Voted On Soon

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of Dec. 17, stated: "The approaching holidays will speed up work in Washington in reference to January allocations of copper, zinc, and lead. The trade believes that news on January's copper requirements of consumers may be released early next week. Tin authorities here were not greatly disturbed on receipt of word from Bolivia that a state of siege has been declared in that country to maintain order at the mines and on transportation lines. The 77th Congress came to an end on Dec. 16 and all silver legislation introduced to liberalize existing laws for the present passed out of the picture." The publication further went on to say in part:

Copper

The Copper Advisory Committee met with WPB officials in Washington on Dec. 16, and production problems were reviewed. Except that allocations for January metal will get going earlier than usual, there was little of interest in the market during the last week. The domestic quotation continued at 12¢, Connecticut Valley. Foreign commitments will come up for consideration soon. The import basis for last week held at 11.70¢, f.a.s. United States ports.

Clarifying a press release issued Nov. 4 relating to frozen copper, the Metals Redistribution Branch of WPB issued a statement last week to the effect that, if necessary, the Government will requisition any and all copper and copper-base alloy products in idle and excessive inventories except those whose cost to the holder was substantially above 28¢ and 30¢, the maximum prices mentioned in the price schedule of the Copper Recovery Corp. The original statement, issued early in November, said, among other things, that the sale of all items listed is not compulsory.

Lead

OPA has been working on the problem of doing away with some quite obvious price inequalities covering basing points in Pennsylvania and other districts outside of the regular 6.50¢ New York zone. The question of January allocations was to be discussed this week. Interest in January metal is increasing. Battery manufacturers have been more active.

Antimony

The ex-warehouse quotation for antimony packed in cases of 224 pounds, covering less than carload lots and down to five tons, continues at 15¢ a pound plus the old rate of $2.27 per case freight, which brings the total cost to a buyer to 16.013¢ a pound. As soon as metal is brought into this market under the higher freight tax the price will reflect the change.

Zinc

The Zinc Advisory Committee met with WPB officials in Washington on Dec. 15. The supply outlook was reviewed, with special emphasis on High Grade. War demands for High Grade show no signs of diminishing, based on official estimates. The industry is supplying large tonnages for export, and President Roosevelt stated publicly last week that lend-lease and direct purchases of zinc by our Allies absorbed 16.1% of the domestic output plus imports in the first half of 1942. The price situation was unchanged last week.

Tin

The Bolivian Government declared a state of siege for the entire country on Dec. 14 as a result of a strike by workers at the Patino mines, according to an Associated Press dispatch to the New York "Times." The report states that the strike was called when the mining company rejected demands for a 100% increase in wages plus a Christmas bonus equivalent to a month's wages. The state of siege was ordered to maintain operations at the tin mines. Army units are guarding mines and transportation facilities.

Use of tin in production of containers for civilian use will be reduced to the minimum in 1943, WPB announced last week. War needs for canned goods are expected to be large, and with these requirements not disclosed, estimates on the tonnage of tin that will got into tin-plate next year vary considerably. However, sufficient tin will be on hand to fill essential needs.

The price situation continues unchanged. Straits quality tin for shipment was nominally as follows:

	Dec.	Jan.	Feb.
Dec. 10	52.000	52.000	52.000
Dec. 11	52.000	52.000	52.000
Dec. 12	52.000	52.000	52.000
Dec. 14	52.000	52.000	52.000
Dec. 15	52.000	52.000	52.000
Dec. 16	52.000	52.000	52.000

Chinese tin, 99% grade, spot or nearby delivery, 51.125¢ all week.

Quicksilver

Though output on the Pacific Coast is expected to decline somewhat during the winter months, a seasonable occurrence, supplies on hand and in sight should be ample for all essential requirements, trade authorities hold. The offerings of nearby metal are smaller than in recent months, which tends to harden prices. The range in prices in New York continues at $196 @ $198 per flask.

Silver

At a press conference on Dec. 14, Secretary Morgenthau disclosed that plans have been completed to lend-lease silver to England and Australia for coinage purposes. These two countries had asked the Treasury for silver to help meet the increased demand for the currency as a result of the war. Under the plan, it was stated, an equal amount of silver must be returned by the countries making the loan after the war is over.

The bill introduced by Senator Green (R. I.) to ease the silver restrictions has been blocked so far as this session of Congress is concerned. Senator Green told the press that his fight to obtain silver for commercial needs would be continued.

The silver market in London was unchanged last week at 23½d. The New York Official remained at 44¾c, and the Treasury's price at 35c.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Heads Beekman Fund

Edward J. Barber, prominent shipping man, has accepted the chairmanship of the Beekman Hospital 1943 Maintenance Fund, it was announced on Dec. 7 by Elisha Walker of Kuhn, Loeb & Co., and Chairman of Beekman Hospital, New York City.

Mr. Barber is President of the Barber Steamship Lines, Inc., American-West African Line, Inc., and other steamship companies as well as a director of the Commercial National Bank and Trust Co. of New York and several large insurance companies.

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on Nov. 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allied Kid Co., common	37,595	38,845	
Allied Mills, Inc., common	304,458	304,464	
Allied Stores Corp., 5% preferred	3,117	4,317	
American Hide and Leather Co., 6% preferred	1,160	1,260	
American Ice Co., 6% preferred	28,177	31,777	
American Viscose Corp., 5% cumulative preferred	1,746	1,746	(1)
Armour and Co. (Ill.), common	7	6	(2)
Armour and Co. (Del.) 7% preferred	6,518	6,521	
Associates Investment Co., common	24,796	25,888	
5% cumulative preferred	5,035	6,295	
Atlantic Gulf & West Indies Steamship Lines, 5% preferred	19,158	22,700	
Atlas Corp., common	56,423	56,923	
Belding Heminway Co., common	56,832	57,332	
Bucyrus-Erie Co., 7% preferred	11,436	11,438	
Champion Paper and Fibre Co. (The), common	500	1,600	(3)
Chicago Pneumatic Tool Co., $2.50 cum. prior pfd.	6,571	6,871	
Chicago Yellow Cab Co., Inc., capital	35,768	36,368	
Consolidated Laundries Corp., common	28,400	29,600	
Consolidated Oil Corp., common	207,500	238,400	
Continental Baking Co., 8% cumulative preferred	1,400	1,350	(2)
Copperweld Steel Co., cumulative convertible pfd. 5% Ser.	4,499	4,999	
Davega Stores Corp., common	11,850	11,950	
5% cumulative preferred	200	------	(4)
Detroit Edison Co. (The), common	5,595	5,345	
Duplan Corp., 8% preferred	------	------	(5)
Federated Department Stores, Inc., 4¼% conv. pfd.	11,700	11,800	
Firestone Tire & Rubber Co. (The), common	319,189	319,194	
Gaylord Container Corp., 5½% cumulative cv. pfd.	------	------	(14)
General Shoe Corp., common	3,038	3,040	
Gillette Safety Razor Co., $5 convertible pref.	10,849	11,949	
Goodyear Tire & Rubber Co. (The), $5 cum. conv. pfd.	19,365	7,012	(2)
Howe Sound Co., common	31,091	32,191	
Insuranshares Certificates, Inc., common	------	------	(6)
Interstate Department Stores, Inc., 7% preferred	5,376	5,436	
Jewel Tea Co., Inc., common	2,769	2,684	
4¼% cumulative preferred	300	1,075	
Kayser (Julius) & Co., common	109,121	109,621	
Lehman Corp. (The), common	104,507	2,500	(7)
McCall Corp., common	1,000	1,400	
McGraw-Hill Publishing Co., Inc., common	5,000	10,000	
Madison Square Garden Corp., capital	22,600	22,700	
National Department Stores Corp., 6% preferred	88,624	90,786	
Newport Industries, Inc., common	------	1,050	
Newport News Shipbuild'g & Dry Dock Co., $5 cum. cv. pfd.	4,600	5,400	
Norfolk and Western Ry. Co., adj. 4% non-cum. pfd.	4,766	5,408	
Pepsi-Cola Co., capital	134	218	
Plymouth Oil Co., common	15,500	184	(8)
Real Silk Hosiery Mills, Inc., 7% cum. preferred	5,354	5,384	
Revere Copper and Brass Inc., 5¼% cumulative pfd.	------	------	(9)
7% preferred	------	------	(10)
Safeway Stores, Inc., common	15,096	15,097	
5% cumulative preferred	3,238	3,251	
Shattuck (Frank G.) Co., common	168,300	170,000	
Squibb F. R. & Sons, common	45,509	45,343	
Superheater Co. (The), common	98,650	100,050	
Swift & Co., capital	77,732	77,726	
Transamerica Corp., capital	1,103,750	1,105,416	
Union Bag & Paper Corp., common	10,200	12,200	
United Aircraft Corp., 5% cumulative preferred	1,300	2,400	
United Fruit Co., common	5,900	------	(11)
United Merchants & Manufacturers Inc., v.t.c. for com.	9,404	12,004	
United States Leather Co. (The), 7% prior pref.	2,945	3,245	
Universal Pictures Co., Inc., 8% preferred	4,634	4,794	
Vultee Aircraft, Inc., cumulative convertible preferred	3,640	------	(12)
Webster Eisenlohr, Inc., 7% preferred	------	------	(13)
Willys-Overland Motors, Inc., 6% cumulative conv. pref.	41,355	48,355	
Worthington Pump & Mach. Corp., 6% cum. class B pfd.	------	510	

NOTES

(1) 200 shares acquired; 200 shares retired.
(2) Retirement.
(3) Increase since April, 1942.
(4) 100 shares acquired; 300 shares retired.
(5) 10 shares acquired and retired.
(6) 1,600 shares acquired and retired.
(7) 2,500 shares acquired; 104,507 shares retired.
(8) 200 shares acquired; 15,516 shares to be distributed on Dec. 23, 1942 as a stock dividend.
(9) 380 shares acquired and retired.
(10) 100 shares acquired and retired.
(11) Shares sold to retirement trust fund.
(12) 6,320 shares acquired; all shares retired.
(13) 10 shares acquired and retired.
(14) 74 shares acquired and retired.

The New York Curb Exchange issued on Dec. 17 the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name—	Shares Previously Reported	Shares Per Latest Report
Aluminum Industries, Inc., common	570	945
American General Corp., common	358,706	358,728
American Writing Paper Corp., common	23,562	25,662
Beau Brummell Ties, Inc., capital	500	800
Blue Ridge Corp., $3.00 convertible pref.	6,335	8,785
Crown Central Petroleum Corp., common	580	582
Dejay Stores, Inc. common	11,040	11,151
Equity Corp., $3 convertible preferred	48,723	49,898
Huyler's, common	None	28,530
D. Emil Klein Co., Inc., common	16,769	17,069
Lane Bryant, Inc., 7% preferred	63	88
Nehi Corporation, first preferred	1,975	1,977
New York Merchandise Co., Inc., common	98,128	102,845
Niagara Share Corp. of Maryland, A preferred	4,856	4,956
B common	149,781	154,081
Oilstocks Limited, capital	604	1,704
Seeman Brothers, Inc., common	20,000	20,200
Sunray Oil Corporation, 5½% conv. preferred	1,550	2,600
Common	101,222	5,987
Trans-Lux Corp., common	85,657	86,057
Trunz, Inc., common	16,659	16,884
United Cigar-Whelan Stores Corp., common	12,140	12,143

Engineering Construction For Week Up 13% Compared With Year Ago

Engineering construction volume for the week totals $75,539,000, an increase of 13% over the corresponding 1941 week, but 11% below the volume for a week ago, as reported by "Engineering News-Record," on Dec. 17. The 60% gain in Federal work offset an 85% drop in state and municipal construction to boost public volume 19% over the 1941 week. Private work, however, is 50% below last year. Comparisons with the preceding week reveal a decrease of 12½% in Federal, and a 12% decline in the public total. State and municipal and private work, on the other hand, are 12% and 1% higher, respectively, than a week ago.

The current week's total brings 1942 construction to $9,196,157,000, an increase of 58% over the $5,818,529,000 reported for the 51-week period in 1941. Private construction, $552,325,000, is 53% below the period last year, but public work, $8,643,832,000, is 86% higher as a result of the 135% climb in Federal.

Construction volumes for the 1941 week, last week, and the current week are:

	Dec. 18, 1941	Dec. 10, 1942	Dec. 17, 1942
Total Construction	$66,966,000	$85,268,000	$75,539,000
Private Construction	6,158,000	3,058,000	3,085,000
Public Construction	60,808,000	82,210,000	72,454,000
State and Municipal	17,311,000	2,387,000	2,668,000
Federal	43,497,000	79,823,000	69,786,000

In the classified construction groups, gains over last week are in sewerage, public buildings, earthwork and drainage, and streets and roads. Gains over the week last year are in waterworks, public buildings, and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $1,331,000; sewerage, $2,473,000; bridges, $103,000; industrial buildings, $1,013,000; commercial building and large-scale private housing, $1,252,000; public buildings, $54,410,000; earthwork and drainage, $1,015,000; streets and roads, $4,138,000 and unclassified construction, $9,804,000.

New capital for construction purposes for the week totals $2,452,000, a decline of 52% from last year. The week's new financing is made up of $1,500,000 in corporate security issues, and $952,000 in state and municipal bond sales.

New construction financing for the year to date, $10,214,049,000, tops the $6,324,725,000 reported for the 51-week period a year ago by 62%.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended Dec. 12 is estimated at 11,500,000 net tons, an increase of 385,000 tons, or 3.5% over the preceding week, and is in comparison with 11,394,000 tons produced in the corresponding week of 1941. The output of soft coal to date shows an increase of 13.1% over the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended Dec. 12 was estimated at 1,101,000 tons, or at the same rate as in the preceding week. When compared with the output in the corresponding week of 1941 there was a gain of 238,000 tons, or 27.6%. The calendar year to date shows a gain of 6.6%.

The U. S. Bureau of Mines also reports that the estimated production of by-product coke in the United States for the week ended Dec. 12 showed an increase of 12,700 tons when compared with the output in the week ended Dec. 5. The quantity of coke from beehive ovens increased 6,900 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL WITH COMPARABLE PRODUCTION OF CRUDE PETROLEUM
In Net Tons (000 omitted)

	Week Ended			January 1 to Date		
Bituminous and lignite coal—	Dec. 12, 1942	†Dec. 5, 1942	Dec. 13, 1941	Dec. 12, 1942	Dec. 13, 1941	Dec. 11, 1937
Total, incl. mine fuel	11,500	11,115	11,394	548,808	485,354	423,811
Daily average	1,917	1,853	1,899	1,890	1,677	1,462
*Crude petroleum— Coal equivalent of weekly output	6,217	6,142	6,583	306,258	304,078	275,787

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †Revised.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	§Dec. 12, 1942	Dec. 5, 1942	Dec. 13, 1941	Dec. 12, 1942	Dec. 13, 1941	Dec. 14, 1929
*Total, incl. colliery fuel	1,101,000	1,101,000	863,000	57,329,000	53,764,000	70,220,000
†Commercial production	1,057,000	1,057,000	820,000	54,577,000	51,076,000	65,164,000
Beehive coke— United States total	160,800	153,900	141,300	7,540,300	6,316,600	6,195,000
By-product coke— United States total	1,214,000	1,201,300	‡	58,785,500	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Dec. avge.
State—	Dec. 5, 1942	Nov. 28, 1942	Dec. 6, 1941	Dec. 7, 1940	Dec. 4, 1937	¶1923
Alaska	7	6	6	3	2	**
Alabama	390	346	367	332	271	349
Arkansas and Oklahoma	97	82	74	107	83	83
Colorado	182	151	167	178	165	253
Georgia and North Carolina	1	1	1	2	††	**
Illinois	1,300	1,192	1,130	1,369	1,209	1,535
Indiana	525	477	517	464	430	514
Iowa	60	56	86	86	94	121
Kansas and Missouri	176	161	169	191	178	159
Kentucky—Eastern	920	919	825	804	690	584
Kentucky—Western	282	253	235	206	205	204
Maryland	32	29	42	32	29	37
Michigan	8	7	9	12	22	21
Montana (bituminous and lignite)	116	106	87	84	72	64
New Mexico	37	33	28	26	31	56
North and South Dakota (lignite)	89	90	63	72	70	**27
Ohio	662	625	635	473	524	599
Pennsylvania (bituminous)	2,385	2,432	2,821	2,408	1,638	2,818
Tennessee	140	130	141	125	121	103
Texas (bituminous and lignite)	10	9	5	9	18	21
Utah	118	119	101	93	73	100
Virginia	365	392	391	312	277	193
Washington	53	44	42	48	46	57
*West Virginia—Southern	2,114	2,117	2,375	1,821	1,445	1,132
†West Virginia—Northern	850	780	892	622	491	692
Wyoming	194	188	154	153	135	173
‡Other Western States	2	††	1	1	1	**5
Total bituminous and lignite	11,115	10,745	11,364	10,033	8,320	9,900
§Pennsylvania anthracite	1,101	1,156	804	1,032	849	1,806
Total all coal	12,216	11,901	12,168	11,065	9,169	11,706

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, Idaho, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

FDR Calls On Industry To Raise War Output

In a message to the Congress of American Industry, in New York, President Roosevelt told the manufacturers on Dec. 4 that the country has "been unable—in a year of actual war—to reach the full objectives of production which we must attain" and urged them not to relax their efforts "as long as any hostile force confronts us." The text of the President's statement read at the dinner of the Congress on Dec. 4 follows:

"The War Congress of American Industry knows as well as any body of men in the United States what has been accomplished in converting our country from the pursuits of peace to the purposes of war. The great majority of American manufacturers may well take pride in a tremendous undertaking which, already well along the way, should reach peak force in the year 1943. The natural impatience of the American people is such that we fail frequently to realize that the things we have determinde wholeheartedly to do are not fulfilled merely by desire but through painful toil.

"United as we are in the determination that the armed forces shall have not only all they need but enough for our gallant allies as well, we have nevertheless been unable—in a year of actual war—to reach the full objectives of production which we must attain. Conversion has been almost miraculous but still is not complete. You and your associates are more familiar than any of us with the difficulties that you have had to overcome.

"Obstacles fully as great as those that you have faced have presented themselves in the fields of government, agriculture and labor. It has not been easy for any segment of our population to make the necessary adjustments involved in total war. We should and must realize that, in periods of great strain and trial, perfection of effort—no matter how much it may be desired—is not easy to attain. We should and must realize that the faults and delays we find in our own work are certain to appear in the efforts of others.

"Taken as a whole, however, the American people have met this threat against their security as they have all others. As long as we, in all walks of life, are able to keep step—united in purpose for both war and the peace which will follow—we need have no fear as to the eventual outcome.

"Let there be no relaxation on the part of the manufacturers of the country as long as any hostile force confronts us. Very sincerely yours,

"FRANKLIN D. ROOSEVELT"

The War Congress of American Industry was held under the auspices of the National Association of Manufacturers.

Chile Pledges Aid To U. S.

President Juan Antonio Rios of Chile sent a message to President Roosevelt on Dec. 7 on the anniversary of Pearl Harbor assuring that Chile "always will be at the side of the democracies."

Chile and Argentina are the only American republics which still maintain diplomatic relations with the Axis Powers.

The message from President Rios follows:

"On the occasion of the first anniversary of the Pearl Harbor attack I wish to extend to your Excellency and our sister people of the United States a message of sympathy and solidarity from the Government and people of Chile together with assurances that my country always will be at the side of the democracies, defending the ideals of liberty and justice that are common to both of us."

Revenue Freight Car Loadings During Week Ended Dec. 12 1942, Total 740,336 Cars

Loading of revenue freight for the week ended Dec. 12, 1942, totaled 740,336 cars, the Association of American Railroads announced on Dec. 18. This was a decrease below the corresponding week of 1941, of 66,889 cars or 8.3%, but an increase above the same week in 1940, of 3,996 cars or 0.5%.

Loading of revenue freight for the week of Dec. 12 decreased 19,285 cars or 2.5% below the preceding week.

Miscellaneous freight loading totaled 355,581 cars a decrease of 11,003 cars below the preceding week, and a decrease of 16.040 cars below the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 90,967 cars, an increase of 1,486 cars above the preceding week, but a decrease of 61,774 cars below the corresponding week in 1941.

Coal loading amounted to 165,966 cars, an increase of 4,466 cars above the preceding week, and an increase of 11,075 cars above the corresponding week in 1941.

Grain and grain products loading totaled 44,849 cars, an increase of 572 cars above the preceding week, and an increase of 3,316 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Dec. 12 totaled 30,473 cars, an increase of 125 cars above the preceding week, and an increase of 4,619 cars above the corresponding week in 1941.

Live stock loading amounted to 17,418 cars, a decrease of 898 cars below the preceding week, but an increase of 3,577 cars above the corresponding week in 1941. In the Western Districts alone loading of live stock for the week of Dec 12 totaled 12,951 cars, a decrease of 891 cars below the preceding week, but an increase of 2,577 cars above the corresponding week in 1941.

Forest products loading totaled 36,937 cars, a decrease of 2,053 cars below the preceding week and a decrease of 5,440 cars below the corresponding week in 1941.

Ore loading amounted to 14,065 cars a decrease of 12,158 cars below the preceding week, and a decrease of 2,108 cars below the corresponding week in 1941.

Coke loading amounted to 14,553 cars an increase of 303 cars above the preceding week, and an increase of 505 cars above the corresponding week in 1941.

All districts reported decreases compared with the corresponding week in 1941, except the Pocahontas and Southwestern, but all districts reported increases above the corresponding week in 1940 except the Eastern, Southern and Northwestern.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Four weeks of April	3,351,038	2,793,630	2,495,212
Five weeks of May	4,170,713	4,160,060	3,351,840
Four weeks of June	3,385,769	3,510,057	2,896,953
Four weeks of July	3,321,568	3,413,435	2,822,450
Five weeks of August	4,350,948	4,463,372	3,717,933
Four weeks of September	3,503,658	3,540,210	3,135,122
Five weeks of October	4,512,046	4,553,007	4,064,273
Four week of November	3,236,051	3,423,038	2,985,626
Week of Dec. 5	759,621	833,375	738,513
Week of Dec. 12	740,336	807,225	736,340
Total	41,484,233	40,884,394	35,114,792

National Fertilizer Association Commodity Price Index Again Higher

The wholesale commodity price level was again higher last week as farm product and food prices continued to advance to new high levels. The weekly wholesale commodity price index compiled by The National Fertilizer Association, and made public on Dec. 21, in the week ended Dec. 19, 1942, rose to 131.7 from 131.0 in the preceding week. A month ago it was 130.4 and a year ago 119.2, based on the 1935-1939 average as 100. The Association report added:

A sharp rise in farm product prices, combined with a more moderate increase in foods were mainly responsible for the advance in the all-commodity price index. The farm products price index moved into higher ground, the result of advancing quotations for cotton, grains, hogs, and sheep, which more than offset declines in cattle and lambs. In the food group advancing quotations were registered by four important items, while none declined, causing the ninth consecutive weekly advance in the food price index. The index of miscellaneous commodities registered a fractional advance, as a result of higher prices for cattle feed. A slight rise was also registered by the textiles index. A decline in the price of linseed oil was responsible for a slight decrease from last week in the building materials index.

During the week 16 commodities advanced and 3 declined; in the preceding week there were 17 advances and no declines, in the second preceding week there were 17 advancs and 4 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

[*1935-1939=100]

% Each Group Bears to the Total Index	Group	Latest Week Dec. 19, 1942	Preceding Week Dec. 12 1942	Month Ago Nov. 14, 1942	Year Ago Dec. 20 1941
25.3	Foods	134.9	134.3	133.3	116.4
	Fats and Oils	148.8	148.8	147.0	126.2
	Cottonseed Oil	164.7	164.7	160.0	156.0
23.0	Farm Products	145.6	143.6	142.9	123.6
	Cotton	187.0	186.3	183.6	163.5
	Grains	128.3	123.2	117.3	115.0
	Livestock	142.7	141.3	142.5	117.5
17.3	Fuels	119.3	119.3	119.3	112.9
10.8	Miscellaneous commodities	129.5	129.1	127.5	126.8
8.2	Textiles	149.0	148.9	148.5	140.9
7.1	Metals	104.4	104.4	104.4	104.0
6.1	Building materials	151.3	151.4	151.4	131.6
1.3	Chemicals and drugs	127.6	127.6	120.7	112.0
.3	Fertilizer materials	117.5	117.5	117.5	115.5
.3	Fertilizers	115.3	115.3	115.3	112.7
.3	Farm machinery	104.1	104.1	104.1	103.4
100.0	All groups combined	131.7	131.0	130.4	119.2

*Indexes on 1926-1928 base were December 19, 1942, 102.6; December 12, 102.0; December 20, 1941, 92.9.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†

(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
Dec. 22	116.78	107.27	116.61	113.89	108.70	92.20	96.85	111.62	114.27
21	116.78	107.27	116.80	113.89	108.88	92.20	96.85	111.81	114.46
19	116.78	107.27	116.80	113.89	108.88	92.06	96.85	111.81	114.27
18	116.78	107.27	116.61	113.89	108.88	92.06	96.85	111.61	114.27
17	116.78	107.09	116.61	113.89	108.70	91.91	96.69	111.62	114.27
16	116.78	107.09	116.61	113.89	108.88	91.77	96.54	111.62	114.27
15	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.62	114.27
14	116.78	107.09	116.80	113.70	108.88	91.62	96.54	111.81	114.27
12	116.78	107.09	116.30	113.70	108.88	91.62	96.54	111.81	114.27
11	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.81	114.27
10	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.81	114.27
9	116.78	107.09	116.80	113.89	108.88	91.62	96.54	111.81	114.27
8	116.78	107.09	116.80	113.70	108.88	91.77	96.54	111.81	114.27
7	116.78	107.27	116.80	113.89	108.88	91.77	96.54	111.81	114.27
5	116.78	107.27	116.80	113.89	108.88	91.91	96.69	111.81	114.27
4	116.78	107.27	116.80	113.70	108.88	92.06	96.69	111.81	114.27
3	116.78	107.27	116.80	113.89	108.88	91.77	96.69	111.81	114.27
2	116.78	107.27	116.80	113.89	108.88	91.77	96.54	111.81	114.27
1	116.78	107.27	116.80	113.89	108.88	91.77	96.54	111.81	114.27
Nov 27	116.85	107.27	117.00	113.89	103.88	91.91	96.54	112.00	114.60
20	117.30	107.44	117.00	114.27	108.70	92.50	97.00	112.00	114.66
13	117.36	107.62	117.20	114.27	108.70	92.50	97.16	112.19	114.46
6	117.36	107.62	117.20	114.27	108.70	92.64	97.47	112.00	114.40
Oct 30	117.38	107.44	117.00	114.08	108.70	92.50	97.31	112.00	114.27
23	117.38	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.27
16	117.37	107.44	117.00	114.08	108.70	92.50	97.31	111.81	114.40
9	117.38	107.44	117.20	114.08	108.70	92.50	97.31	111.81	114.46
2	117.39	107.27	117.00	113.89	108.52	92.35	97.16	111.81	114.27
Sep 25	117.51	107.27	117.00	113.89	108.70	92.06	97.00	111.62	114.08
18	117.62	107.27	117.00	113.70	108.52	92.06	96.85	111.81	114.08
11	117.75	107.09	116.80	113.50	108.34	92.06	96.69	111.81	113.89
4	117.80	107.09	117.00	113.31	108.34	92.06	96.54	111.62	114.08
Aug. 28	117.85	106.92	116.80	113.31	108.16	92.06	96.54	111.62	114.08
21	117.93	106.92	116.80	113.31	108.16	92.06	96.38	111.44	114.08
14	117.92	106.92	116.80	113.31	108.16	91.91	96.23	111.44	114.08
7	117.97	106.92	116.61	113.12	108.16	91.91	96.23	111.44	114.2
July 31	118.11	106.92	116.41	113.50	108.16	91.77	96.07	111.44	114.2
June 26	118.14	106.39	116.22	112.93	107.80	91.05	95.47	110.88	113.8
May 29	118.35	106.39	116.02	112.93	107.44	91.77	96.07	110.70	113.70
Apr. 24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.3
Jan. 30	117.08	106.92	116.22	113.70	107 80	92.06	97.31	110.52	113.70
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.4
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.6
1 Year ago									
Dec. 22, 1941	118.05	106.39	116.41	113.89	107.62	90.20	95.92	110.34	113.89
2 Years ago									
Dec. 21, 1940	119.10	106.56	116.80	114.85	103.56	89.51	95.77	110.52	114.66

MOODY'S BOND YIELD AVERAGES†

(Based on Individual Closing Prices)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Dec. 22	2.08	3.32	2.82	2.96	3.24	4.26	3.95	3.03	2.94
21	2.08	3.32	2.81	2.96	3.23	4.26	3.95	3.07	2.93
19	2.08	3.32	2.81	2.96	3.23	4.27	3.95	3.07	2.94
18	2.08	3.32	2.82	2.96	3.23	4.27	3.95	3.08	2.94
17	2.08	3.33	2.82	2.96	3.24	4.28	3.96	3.08	2.94
16	2.08	3.33	2.82	2.96	3.23	4.29	3.97	3.08	2.94
15	2.08	3.33	2.81	2.96	3.23	4.30	3.97	3.08	2.94
14	2.09	3.33	2.81	2.97	3.23	4.30	3.97	3.07	2.94
12	2.09	3.33	2.81	2.97	3.23	4.30	3.97	3.07	2.94
11	2.09	3.33	2.81	2.96	3.23	4.30	3.97	3.07	2.94
10	2.09	3.33	2.81	2.96	3.23	4.30	3.97	3.07	2.94
9	2.09	3.33	2.81	2.96	3.23	4.30	3.97	3.07	2.94
8	2.09	3.33	2.81	2.97	3.23	4.29	3.97	3.07	2.94
7	2.09	3.32	2.81	2.96	3.23	4.29	3.97	3.07	2.94
5	2.09	3.32	2.81	2.96	3.23	4.28	3.96	3.07	2.94
4	2.09	3.32	2.81	2.97	3.23	4.27	3.96	3.07	2.94
3	2.09	3.32	2.81	2.96	3.23	4.29	3.96	3.07	2.94
2	2.09	3.32	2.81	2.96	3.23	4.29	3.97	3.07	2.94
1	2.09	3.32	2.81	2.96	3.23	4.29	3.97	3.07	2.94
Nov 27	2.09	3.32	2.80	2.96	3.23	4.28	3.97	3.06	2.92
20	2.06	3.31	2.80	2.94	3.24	4.24	3.94	3.06	2.92
13	2.05	3.30	2.79	2.94	3.24	4.24	3.93	3.05	2.93
6	2.05	3.30	2.79	2.94	3.24	4.23	3.91	3.06	2.93
Oct 30	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.06	2.94
23	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.94
16	2.05	3.31	2.80	2.95	3.24	4.24	3.92	3.07	2.93
9	2.05	3.31	2.79	2.95	3.24	4.24	3.92	3.07	2.93
2	2.05	3.32	2.80	2.96	3.25	4.25	3.93	3.07	2.94
Sep 25	2.04	3.32	2.80	2.96	3.24	4.27	3.94	3.08	2.95
18	2.03	3.32	2.80	2.97	3.25	4.27	3.95	3.07	2.95
11	2.03	3.33	2.81	2.98	3.26	4.27	3.96	3.07	2.96
4	2.03	3.33	2.80	2.99	3.26	4.27	3.97	3.08	2.95
Aug 28	2.03	3.34	2.81	2.99	3.27	4.27	3.97	3.08	2.95
21	2.02	3.34	2.81	2.99	3.27	4.27	3.98	3.09	2.95
14	2.02	3.34	2.81	2.99	3.27	4.28	3.99	3.09	2.95
7	2.02	3.34	2.82	3.00	3.27	4.28	3.99	3.09	2.94
July 31	2.01	3.34	2.83	2.98	3.27	4.29	4.00	3.09	2.94
June 26	1.96	3.37	2.84	3.01	3.29	4.34	4.04	3.12	2.96
May 29	1.95	3.37	2.85	3.01	3.31	4.29	4.00	3.13	2.97
Apr. 24	1.99	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
Mar 27	1.96	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
Feb 27	2.11	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
Jan. 30	2.05	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
High 1941	2.13	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	1.84	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago									
Dec. 22, 1941	1.98	3.37	2.83	2.96	3.30	4.40	4.01	3.15	2.96
2 Years ago									
Dec. 21, 1940	1.91	3.36	2.71	2.91	3.36	4.45	4.02	3.14	2.92

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Sept. 17, 1942, page 995.

Dr. Hubert Work Dies

Dr. Hubert Work, former Postmaster General and Secretary of the Interior, died on Dec. 14 in Denver. He was 82 years old. Dr. Work was appointed Postmaster General by President Harding in 1922 and a year later was made Secretary of the Interior. He continued in the latter post under President Coolidge serving until 1928, when he resigned to become chairman of the Republican National Committee and manage the election campaign of Herbert Hoover. Dr. Work was formerly President of the American Medical Association.

November Construction Contracts 43% Ahead Of November, 1941

Total valuation of construction contracts awarded during November in the 37 Eastern States amounted to $654,184,000, according to a report issued by F. W. Dodge Corp. on Dec. 23. This compares with $458,620,000 in November last year and $780,396,000 in October, 1942. The report went on to say:

"Non-residential building valuation of $256,513,000 was $116,478,000, or 69%, below October, due almost entirely to the decline in the manufacturing building classification. Minor decreases of only a few per cent were shown in the residential and heavy engineering groups.

"Compared with November a year ago, the heavy engineering group (public works and utilities) make the best showing with a $91,801,000 or 61% increase. Non-residential building and residential building both were up approximately one-third, although on a dollar basis the improvement was $63,577,000 and $40,186,000, respectively.

"The decline from October is both seasonal and indicative of the effect of the Government policy to authorize construction of only the most essential war projects."

Lumber Movement—Week Ended Dec. 12, 1942

According to the National Lumber Manufacturers Association, lumber shipments of 455 mills reporting to the National Lumber Trade "Barometer" exceeded production by 16.3% for the week ended Dec. 12, 1942. In the same week new orders of these mills were 9.9% greater than production. Unfilled order files in the reporting mills amounted to 75% of stocks. For reporting softwood mills, unfilled orders are equivalent to 39 days' production at the current rate, and gross stocks are equivalent to 49 days' production.

For the year to date shipments of reporting identical mills exceeded production by 13%; orders by 18%.

Compared to the average corresponding week of 1935-39, production of reporting mills was 18% greater; shipments were 48% greater, and orders were 14% greater.

Offer On Mexican 5s

Holders of Republic of Mexico 5% consolidated external loan of 1899 are being notified that the Banco de Mexico has amended its offer to purchase £2,000,000 face value of these bonds in denominations of £100 or higher at $67.50 for each £100 face value. Under the amended offer, the bank will accept for tender and deposit these bonds in denominations of £20 or higher at $13.50 for each £20 face value, provided that the bonds are tendered for deposit not later than Dec. 23, 1942 at the Corporate Agency Department of The Chase National Bank of the City of New York, 11 Broad Street, or 6 Lombard Street, E. C. 3, London England. If the Banco de Mexico should acquire the bonds payment therefor will be made in due course after Dec. 23, 1942.

Moody's Daily Commodity Index

Tuesday, Dec. 15	236.5
Wednesday, Dec. 16	236.4
Thursday, Dec. 17	237.0
Friday, Dec. 18	237.7
Saturday, Dec. 19	238.2
Monday, Dec. 21	238.7
Tuesday, Dec. 22	239.9
Two weeks ago, Dec. 8	232.5
Month ago, Nov. 21	230.8
Year ago, Dec. 22	216.5
1941 High, Sept. 9	219.9
Low, Feb. 17	171.6
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0

Items About Banks, Trust Companies

John E. Bierwirth, President of The New York Trust Company, announced on Dec. 15 that, subject to the approval of the stockholders at their annual meeting on January 13, next, the Company will inaugurate, as of Jan. 1, 1943, a contributory Retirement Annuity Plan for its employees. The plan is designed to supplement Federal Old-Age Benefits through the purchase of deferred life annuities commencing at age 65 for employees of the Trust Company. Employees who have completed at least one year of continuous service, and who are at least 25 years old are eligible to participate. The announcement, also, says:

"Under the plan, employees will contribute with respect to service rendered after Dec. 31, 1942, a percentage of their basic monthly salaries, and the Trust Company will contribute one and one-half times the amounts contributed by the employees. The Trust Company, also, intends to provide at its own expense, supplemental annuities for service rendered before January 1, 1943."

Central Hanover Bank & Trust Company of New York announced on Dec. 21, the following appointments: William A. Bayreuther, George K. Boday, Charles H. Bush, Alfred K. Fricke, Walter F. Thomas, John A. Turnbull, Assistant Vice-Presidents; Emmet J. Urell, Assistant Treasurer; Charles W. Hiester, Paul A. Roth, Joseph C. Walz, H. Bruce Whitmore, Assistant Secretaries; Gordon A. Watson, Assistant Manager of the Credit Department. Messrs. Bayreuther, Boday, Bush, Thomas and Turnbull were formerly Assistant Treasurers and Mr. Fricke was an Assistant Secretary.

At a meeting of the board of directors of Bankers Trust Company, held Dec. 15, P. M. Tuttle was elected Assistant Vice-President, and Paul Bonynge, Jr., E. F. Ebert and T. E. Sime were elected Assistant Treasurers.

The Dime Savings Bank of Brooklyn, N. Y., will entertain its depositors and friends with a program of Christmas carols sung by The Dime Savings Bank Male Chorus today at noon (Dec. 24), and to be broadcast from the balcony encircling the great dome in the bank building, Fulton Street and DeKalb Avenue, Brooklyn, from 12:05 to 12:30 P. M. The program will be under the direction Charles O. Banks, organist and choirmaster of St. Luke's Church. This will be the ninth consecutive Christmas program broadcast over Station WMCA. Mr. Philip A. Benson, President of the bank, will extend the season's greeting during the broadcast program.

William Paul Morris, a director of the First National Bank of Philadelphia and the Berwyn (Pa.) National Bank, died on Dec. 15 in a West Chester (Pa.) hospital. He was 75 years old. Mr. Morris was the retired President of the iron firm of Morris, Wheeler & Co., but had continued in the capacity of Treasurer up to the time of his death.

The Directors of the Union National Bank of Wilmington, have submitted to their stockholders for approval, a proposal to sell their assets at an agreed valuation to the Wilmington Trust Co., which would, also, assume all of the Union National's deposit liabilities.

Under date of Dec. 12, press advices from Wilmington said:

"Under the plan the Union National would distribute proceeds of the sale in cash to its stockholders and liquidate. This would enable the stockholders to receive more than the present market value of the stock. The Wilmington Trust Co. proposes to take over and add to its staff, all of the officers and employees of the Union National Bank."

The admission to membership in the Federal Reserve System of the Whitehouse State Savings Bank, Whitehouse, Ohio, and the William Penn Bank of Commerce, of Pittsburgh, is announced by M. J. Fleming, President of the Federal Reserve Bank of Cleveland. The Whitehouse State Savings Bank, incorporated in 1914 with a paid-in capital of $25,000, has total deposits of approximately $600,000. Its President is Carl L. Ruhm. The William Penn Bank of Commerce, organized in 1916 as the William Penn Trust Co., with a capital stock of $125,000, now has capital of $200,000 and deposits of about $3,500,000. Alexander Murdoch is President of the institution.

A 17½% dividend payment, amounting to $4,177,326, to 2,400 certificate holders under the reorganization plan of the Union Guardian Trust Co., Detroit, was recently approved by the Court. The dividend, it is said, will reduce by 50% the total indebtedness of certificate holders at the time of reorganization. Original indebtedness to the certificate holders amounted to $23,870,438.

Alfred H. Haill, Assistant Cashier of the Federal Reserve Bank of St. Louis, died on Dec. 16. Mr. Haill had been associated with the St. Louis Reserve Bank since it was opened in 1914, having first been an auditor. He had been an Assistant Cashier of the Bank since 1917. He was 63 years of age.

Arthur F. Barnes, President of the Manufacturers Bank and Trust Co., of St. Louis, died on Dec. 14 in a St. Louis hospital. He was 61 years old. Mr. Barnes had been head of the manufacturers Bank since 1934, prior to which time he was Vice-President of the Mercantile-Commerce Bank and Trust Co., St. Louis. He had been with the latter institution for about 25 years.

ABA Group Offers Plan For Bank Money Orders

Plans, whereby the banks of the nation may extend their service to the public by satisfying the growing demand for money order transfers, have been submitted to members of the American Bankers Association by the Association's Bank Management Commission, in a new booklet devoted to that subject. The booklet outlines two plans of operation, and contains specimen forms that it recommends. In each case, however, the money order form, itself, is the same. In an introductory statement the Commission points out the mutual benefits to be obtained from the installation of this type of service. It is noted that:

"With millions of soldiers now located in army camps, and war workers in war plants in new localities, the need for a convenient method of transmitting funds is increasing from day to day. Many soldiers and workers now have no banking connections, but have a definite need for some method of sending money home and paying bills. Obviously, it is to the mutual advantage of the banks and the public to serve this new field for banking service.

"If the banks of the country were to handle this money order business, it would not only bring in added gross revenue, but would result in other advantages which accrue as a result of making contacts with new banking customers."

Under the Commission's plan, money orders issued by the banks would be for amounts not exceeding $100, would have no time limit, would be paid at par, and would entail a cost of ten cents each to purchasers.

The Bank Management Commission stresses the importance of the use of a standard form. It says: "If a Bank Money Order plan is to become effective, it is highly important that the Bank Money Order form, itself, be uniform in size, style and color throughout the entire country, so that the public will become familiar with this form as a Bank Money Order. This uniformity in style has a definite advertising value because the public, seeing this form, will become acquainted with it as a Bank Money Order form. Therefore, banks are urged not to alter the size, style or color of the Bank Money Order form in any respect, other than the use of their own bank name, transit number, city, and state in the proper place. At the present time nearly every bank in the country has its own plan for selling cashier's checks or money orders, and there are so many different styles and methods employed that the public is not acquainted with any one definite plan, and this, in itself, has been an obstacle to banks in developing this type of business."

The money order plans promulgated by the Association's Bank Management Commission, were developed by a special committee appointed for that purpose. Members of the Committee are:

Louis W. Bishop, Vice-President State-Planters' Bank & Trust Co., Richmond, Va.; Darrel G. Ensign, Assistant Cashier Commonwealth Bank, Detroit, Mich.; William J. Kinnamon, Cashier Hunterdon County National Bank, Flemington, N. J.

W. A. McDonnell, Executive Vice-President of the Commercial National Bank, Little Rock, Ark., is Chairman of the Bank Management Commission.

Banking Institute To Streamline Meeting

The American Institute of Banking will hold a one-and-a-half day annual meeting in Chicago next June, it is announced by David E. Simms, National President of the Institute, who is Acting Assistant Manager of the Salt Lake City branch of the Federal Reserve Bank of San Francisco. This meeting, to be held June 9-10, will be the 41st annual convention of the Institute. In making the announcement Mr. Simms stated that this 41st annual convention will be in the nature of a streamlined meeting held to transact essential business of the Institute and to elect officers. He also said that the plan for the meeting follows the practice adopted by the Institute during the First World War, when it held a one-day meeting in Chicago. The advices in the matter issued by the American Bankers Association, Dec. 10, also, said:

"Each chapter and study group has been requested to limit its representation to a single delegate clothed with full authority to cast the number of votes to which the chapter or study group is entitled. In this way the Institute plans to cooperate with the request of the Office of Defense Transportation to curtail travel, incident to the holding of conventions, and to avoid taking members away from their desks for any longer time than is actually necessary.

"In voting to hold a skeletonized annual meeting, the Executive Council of the Institute, acted under authority vested in it by resolutions adopted at the annual convention in New Orleans, on June 11, 1942. The general outline of the convention program calls for a single business session, a chapter administration conference, an educational conference, the holding of the national public speaking contest, and election of officers."

ABA Committee & Govt. Agencies Agree On Simplified Form For Earnings, Div. Reports

(Continued from first page)

submit a variety of forms in making their requests. As a result there has been a considerable demand from banks for a form which can be used to provide the desired information and at the same time to bring about some degree of uniformity in its presentation.

"The condensed earnings and expense form includes provision for interest on loans, and interest on securities together with earnings from other current operations; also the principal items of expense, such as interest paid, salaries and wages, and other current operating expenses. There is also provided a reconcilement of surplus and undivided profits for the period being reported. While the condensed form differs in some respects from the new forms used by the Federal and State bank supervisory agencies, it can be prepared easily from the items available on those forms. Copies of the condensed form (with the suggested method for its compilation from the new E & D form) are obtainable at the office of the Bank Management Commision of the American Bankers Association in New York City.

"With regard to the report of condition form, the face of the report as to assets, liabilities and capital accounts is essentially the same as heretofore. Here the big saving in time and effort will be effected through the elimination of a majority of the supporting schedules which were formerly included."

The Committee on Bank Report Simplification of the Bank Management Commission consists of: G. Fred Berger, Treasurer, Norristown-Penn Trust Company, Norristown, Pa., Chairman; Louis W. Bishop, Vice President, State-Planters Bank & Trust Company, Richmond, Va.; Raymond G. Marx, Comptroller, Riggs National Bank, Washington, D. C.; Rowland R. Hughes, Comptroller, National City Bank, New York City. William A. McDonnell, executive Vice-President of the Commercial National Bank, Little Rock, Ark., is chairman of the A.B.A. Bank Management Commision.

Earnings, Employment At New Peaks In Oct. In Mfg. Industries, Conference Board Reports

Earnings, employment, man hours and payrolls rose to new peak levels again in October, according to a monthly survey of 25 manufacturing industries by the National Industrial Conference Board.

The Board's announcement, made available Dec. 20, stated:

"Weekly earnings rose 0.7% from September to October, to reach $42.10, the highest ever recorded in these surveys. They exceeded weekly earnings in October, 1941, by 18.1%; January, 1941, by 37.5%, and those in 1929 by 47.5%.

"Hourly earnings averaged $.958 in October, a gain of 0.1% over September. They have risen 12.3% since October, 1941; 26.2% since January, 1941, and stand 62.4% above the 1929 average.

"The average work week was longer in October than in any other month since June, 1930. Standing at 43.6 in October, average hours worked per week were 0.5% greater than those in September; 4.6% above October, 1941; 8.5% over January, 1941, and only 9.7% less than the average for the year 1929.

"'Real' weekly earnings, or weekly earnings adjusted for changes in living costs, stood at 158.7 (1923=100) in October. They were 0.3% below the September level, 8.9% above those of October of last year, and 49.0% above the 1929 average.

"Man hours in October rose 1.9% from the September level. They were 16.8% higher than a year before, and 26.4% above the average for the year 1929.

"Payrolls stood at 223.9 (1923—100) in October. This level represents rises of 2.1% since September, 31.9% since October, 1941, and 106.5% since October, 1929."

In regard to the general situation, the Board says:

"The position of the average manufacturing worker in October was advantageous. His average hourly earnings were higher than ever before. His work week averaged 43.6 hours and weekly earnings were the highest on record in the survey. In addition, more persons than ever before were able to enjoy this greater weekly return and more commodities and services could be purchased than in any other month except September. Plants were operated a greater number of hours and larger payrolls disbursed in October than in any other month since these surveys were begun.

Jeffers Names Rubber Mission To Go To Russia

William M. Jeffers, Rubber Director, announced on Dec. 15 the appointment of an American rubber mission to the Soviet Union to obtain chemical and engineering information from Russian experience in synthetic rubber production.

The mission is headed by Ernest W. Pittman, of New York, President of the Interchemical Corp., and former consultant on the Government rubber program to Arthur B. Newhall, one-time Rubber Coordinator. Others on the mision are:

Dr. Willis A. Gibbons, of Montclair, N. J., Director of Development for the U. S. Rubber Co.; Irving L. Murray, of Charleston, W. Va., chief process engineer for the Carbide & Carbon Chemicals Corp.; and Dr. Aristid V. Grosse, of New York City, who has been engaged in war research for the Office of Scientific Research and Development at Columbia University.

Appointment of this group is in line with a recommendation made by the Baruch Rubber Investigating Committee; these findings were mentioned in our issue of Sept. 17, page 990.

Cleve. Reserve Appoints

M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced on Dec. 7 the following appointments:

B. G. Huntington, President, the Huntington National Bank of Columbus, reappointed member of the Federal Advisory Council from the Fourth District for the calendar year 1943.

J. G. Gutting, President, the Second National Bank of Cincinnati, Cincinnati, Ohio, appointed a Director of the Cincinnati branch for a period of two years, beginning Jan. 1, 1943, to succeed J. J. Rowe.

E. B. Harshaw, Vice-President and Cashier, the Grove City National Bank, Grove City, Pa., reappointed a Director of the Pittsburgh branch for a period of two years, beginning Jan. 1, 1943.